



Eliminating Racial
Employment Disparities
April 10, 2012

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Eliminating Racial Employment Disparities

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Introduction

In recent years, there has been a growing awareness around the country and in Minneapolis about the increasing economic disparity between whites and non-whites. This disparity has become a condition of great concern for Minneapolis and the surrounding metropolitan area as policymakers and community leaders seek to understand the underlying drivers behind these disparities and develop public policy and program strategies to reverse this trend. The City is only one of many institutional players active on this issue. Although the data and strategies included in this report focus on Minneapolis and local government's own efforts, the City regularly partners with many other public and private entities to address this broad topic across many program strategies on a regionally coordinated basis.

The information contained in this report has been arranged in three sections. The first section provides a base of knowledge for the reader on the overall employment and unemployment disparity situation in Minneapolis and some comparative data from the state and region (pages 5-10). The second section provides data and narrative arranged by nine key strategies being deployed to address the racial employment disparities in Minneapolis (pages 11-32). Finally, the report concludes with some related information found in the appendix (pages 33-43).

The nine strategies are:

1. Increase the availability of work and training experience for youth that motivates and encourages educational achievement
2. Improve the competitiveness of minority and low income adults for jobs by increasing the availability of training and credentialing programs for adults
3. Increase the number of jobs available by strengthening support for small business development and entrepreneurship
4. Improve connections between employers and minority and low income job seekers through business visits, public forums and hiring fairs
5. Improve connections between large firms and small, women and minority-owned firms through the city's procurement policies and further development of the "business bridge" model
6. Continue strong support for construction contract compliance efforts
7. Work with our public partners to direct new development to build community vitality in areas of the city with the highest unemployment
8. Adopt a regional approach to addressing unemployment disparities
9. Lead by example within the City, improving city policies, ordinances and practices to reduce racial disparities in the City's own work force

One Minneapolis

In addition to the nine strategies noted above, one related and overarching effort to address racial employment disparities in Minneapolis is the *One Minneapolis Equity in Employment* program. While still under development, this program was launched in recent months with the strong support of Mayor Rybak and the City Council.

A key focus of the initiative is on providing workers with training and placement for good jobs in the green economy through a program called RENEW. *One Minneapolis* is providing tuition for 20 to 25 non-white adults to participate in RENEW. *One Minneapolis* is also providing funding to place 20 to 25 non-white teens in positions within city government through the existing summer youth job placement program, STEP-UP. These placements are in addition to those adults and youth already being placed through RENEW and STEP UP each year. In a new *One Minneapolis* program, 8 nonwhite Minneapolis residents enrolled at local community or 4 year colleges will be placed as interns within various city departments in the Urban Scholars Program. The Urban Scholars Program is a leadership development program which seeks to develop students from diverse races and ethnicities into leaders in the public sector. *One Minneapolis* funding also provided salary for one temporary staff position, director of employment equity, to connect employers to minority jobseekers, convene a council of advisors who are leaders in business, government, philanthropy and the nonprofit community whose purpose will be to advise, support and advocate in a variety of ways that will enable the city to move more aggressively toward closing the employment gap. Additionally, this person will collaborate with other City departments to carry out elements of City goals, Jobs and Economic Vitality and Many People, One Minneapolis.

The long term goal of *One Minneapolis* is to place 5,000 adult people of color in unsubsidized jobs by 2015, by educating businesses about the unemployment gap and the economic necessity of ensuring parity in employment, as well as ensuring that at least 5,000 people of color are trained, ready, willing and able to fill available jobs. To achieve this goal, we have already begun establishing partnerships with other government entities in the region, the business community, nonprofits, philanthropy organizations and the community.

Definitions

When examining the complex issue of racial employment disparities and the data contained on the pages that follow the definitions* below may be helpful:

Labor Force— That part of the non-institutionalized civilian population (not inmates of institutions - penal, mental facilities, homes for the aged, and who are not on active duty in the Armed Forces - 16 years of age and older) who are employed or unemployed.

Employed Persons— That part of the non-institutionalized civilian population who did any work at all as paid employees or in their own business, profession, or on their own farm, or who worked 15 hours or more as unpaid workers in a family-operated enterprise. This estimate also includes all those who did not work, but had jobs or businesses from which they were temporarily absent due to illness, bad weather, vacation, labor-management disputes or various personal reasons.

Employment Rate— The proportion of the non-institutionalized civilian population 16 years of age and older that is employed. $\text{Employment Ratio} = \text{Employed} / \text{Population 16 years and older}$.

Unemployed Persons— That part of the non-institutionalized civilian population who did not work who made specific efforts to find a job within the past four weeks, and who were available for work. Also included are those who did not work, were available, and were waiting to be called back from a layoff or were waiting to start a new job within 30 days. Not all persons 16 years and older are unemployed if not working. One must be actively looking and available in order to qualify.

Unemployment Rate— The number of unemployed as a percent of the labor force (or work force) and is computed: $(\text{Unemployed} / \text{Employed and Unemployed}) \times 100 = \text{Unemployment Rate}$

Discouraged Unemployed Persons— An unemployed person who thinks it is impossible to find a job so he or she does not seek employment. These persons are not included in the State or Bureau of Labor Statistics definition of unemployed because they are not actively seeking work.

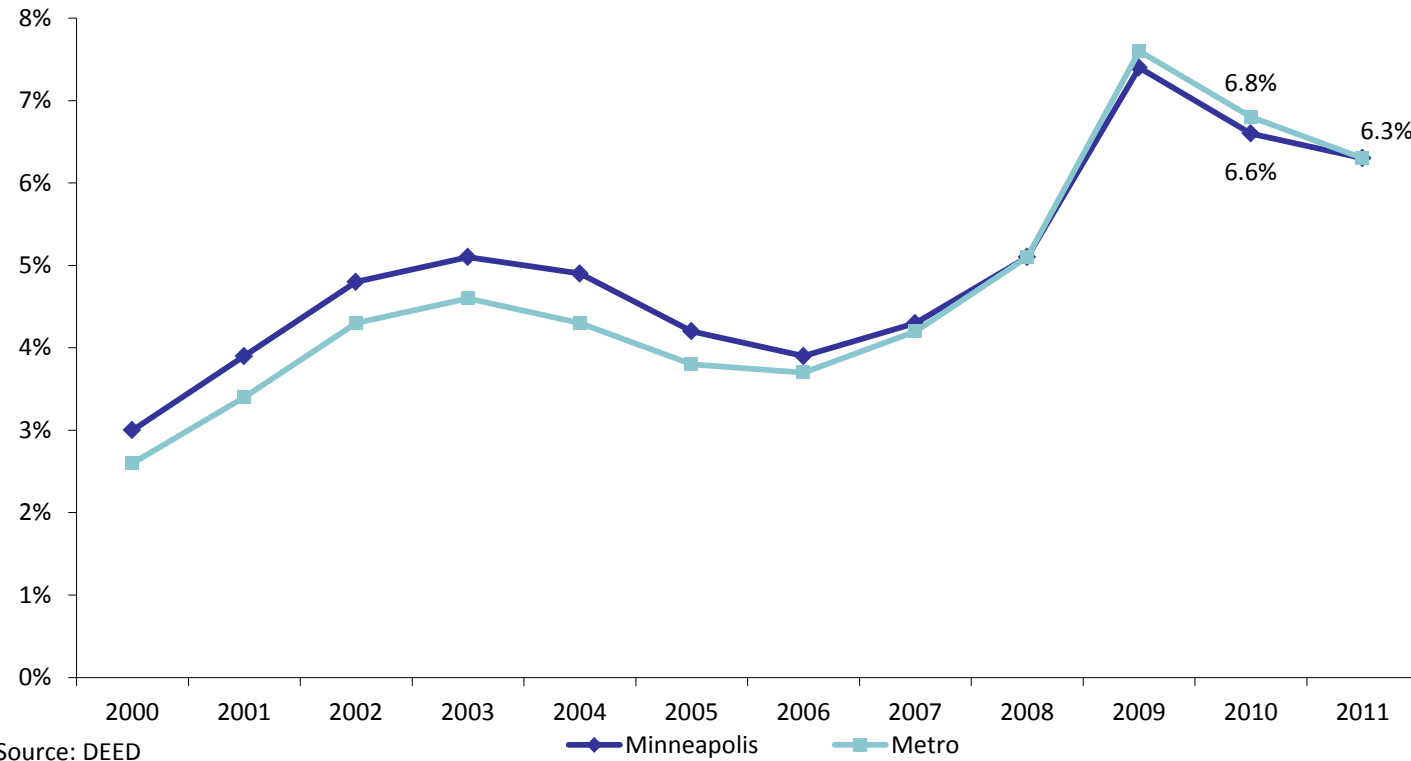
Minority Group— Individuals not classified as *White, not Hispanic* under the Race/Ethnic designation for programs.

Racial and Ethnic Categories:

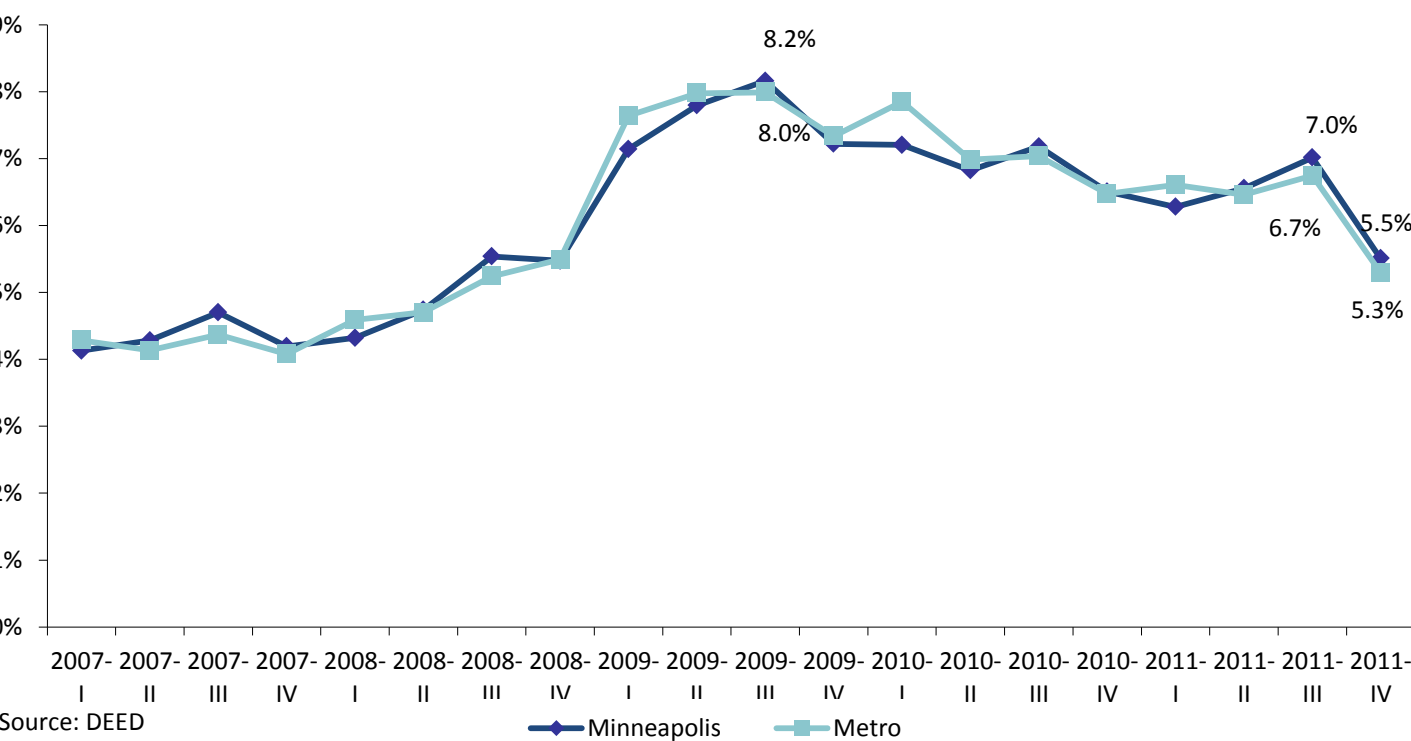
- *White, Not Hispanic* - A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- *Black, Not Hispanic* - A person having origins in any of the black racial groups of Africa.
- *Hispanic* - A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- *American Indian or Alaskan Native* - A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.
- *Asian or Pacific Islander* - A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands.

*Source: <http://www.positivelyminnesota.com/assets/lmi/glossary2.shtml>

Annual Unemployment Rate: Minneapolis and Metro



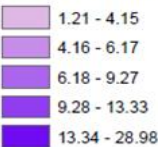
City and Metro Unemployment Rates (quarterly)



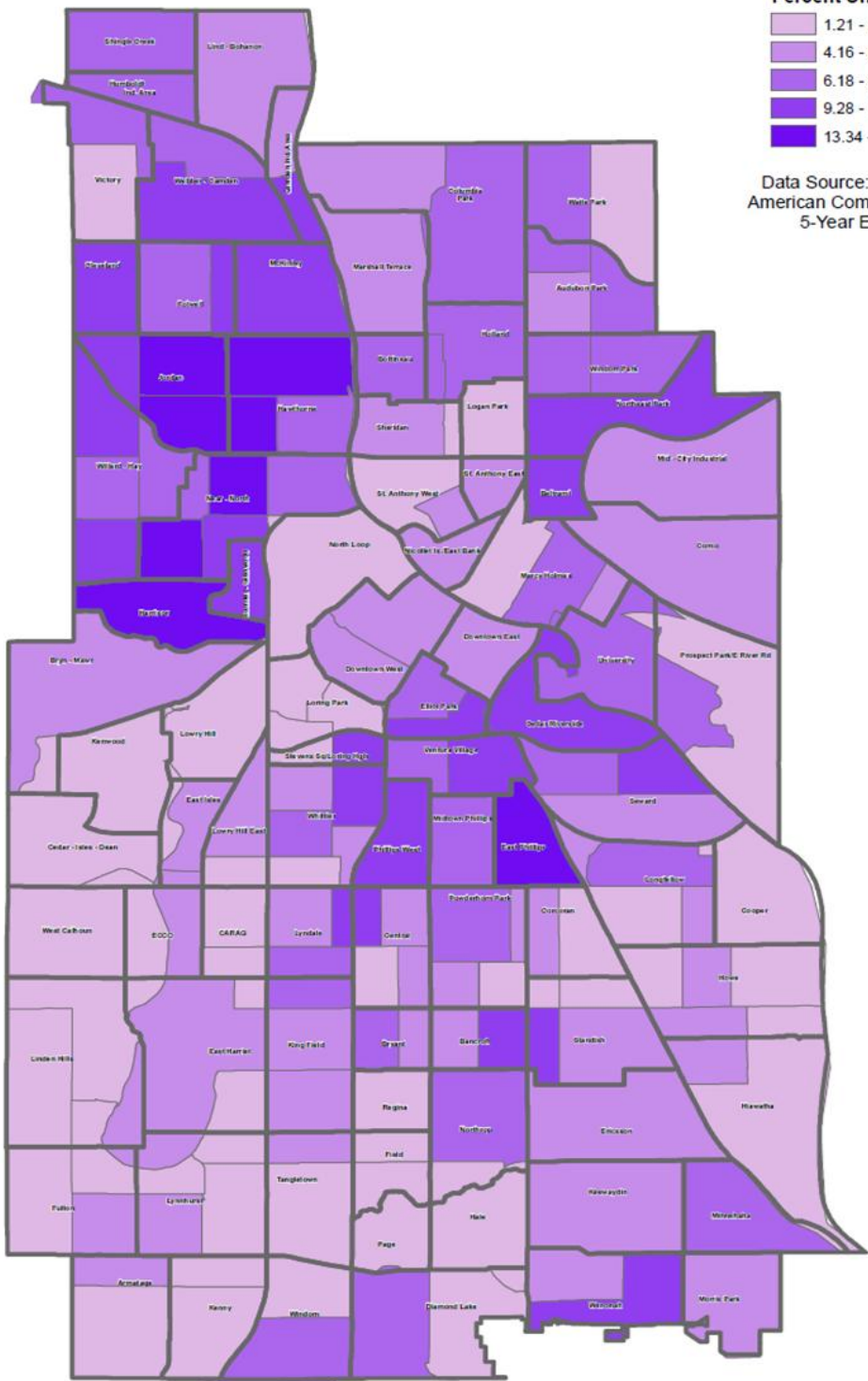
MINNEAPOLIS

UNEMPLOYMENT

Percent Unemployed

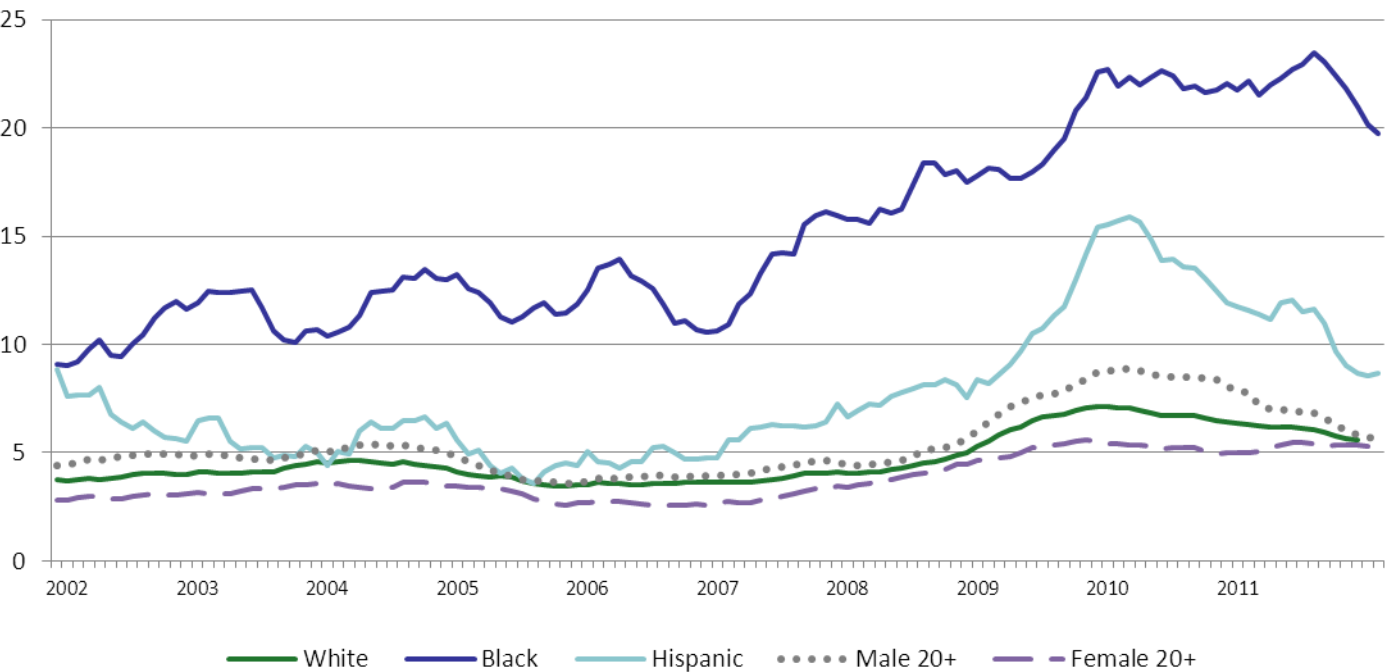


Data Source: 2006 - 2010
American Community Survey
5-Year Estimates



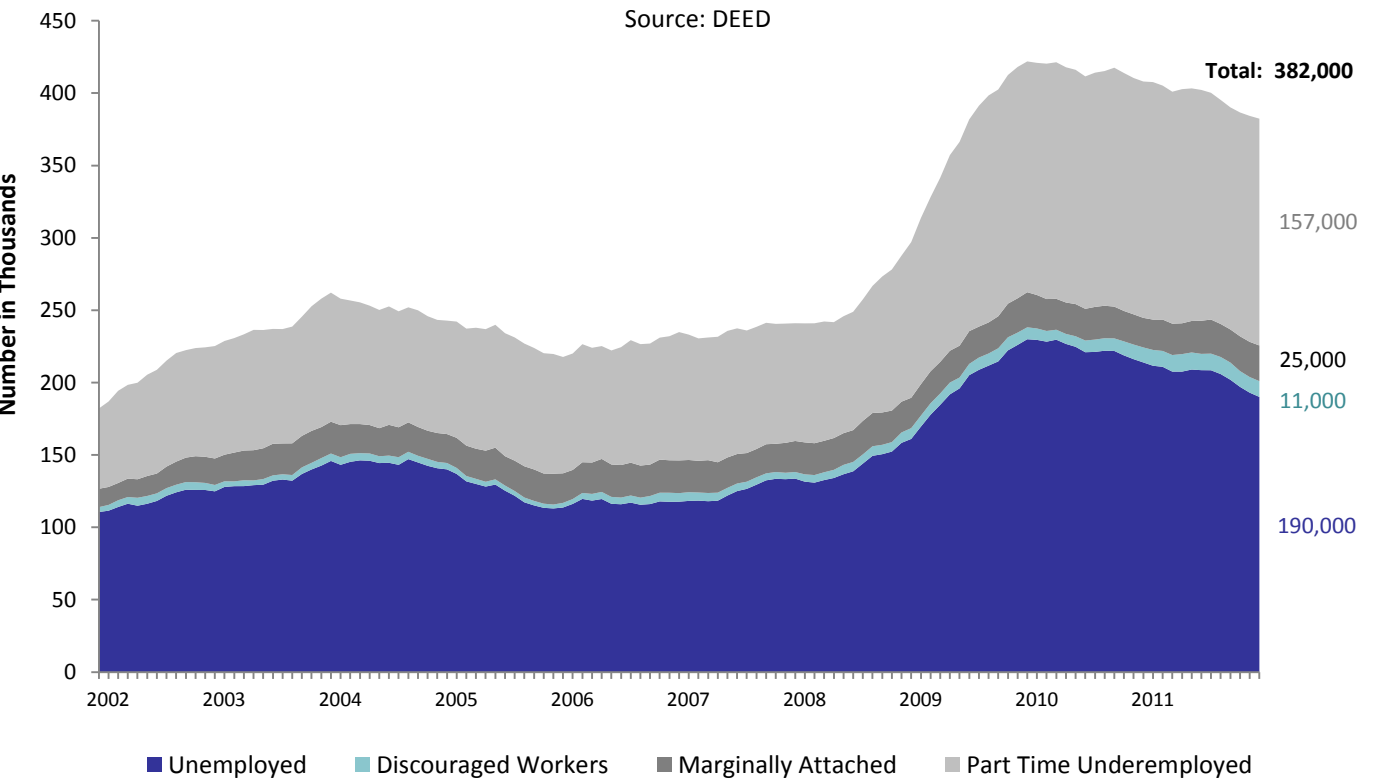
Annual Average Minnesota Unemployment Rates

Source: DEED



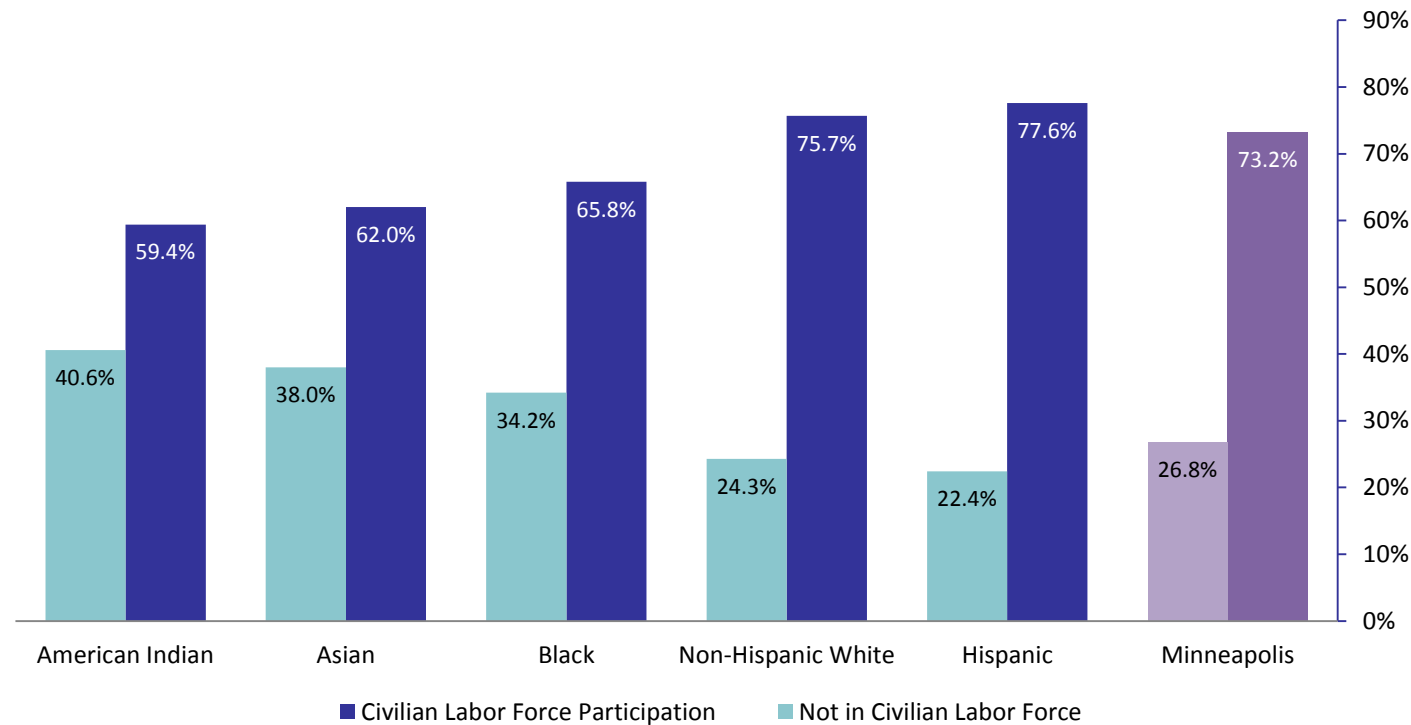
Underemployed, Marginally Attached and Discouraged Workers in Minnesota

Source: DEED



Minneapolis: Labor Force by Race and Ethnicity
(Population 16 years +)

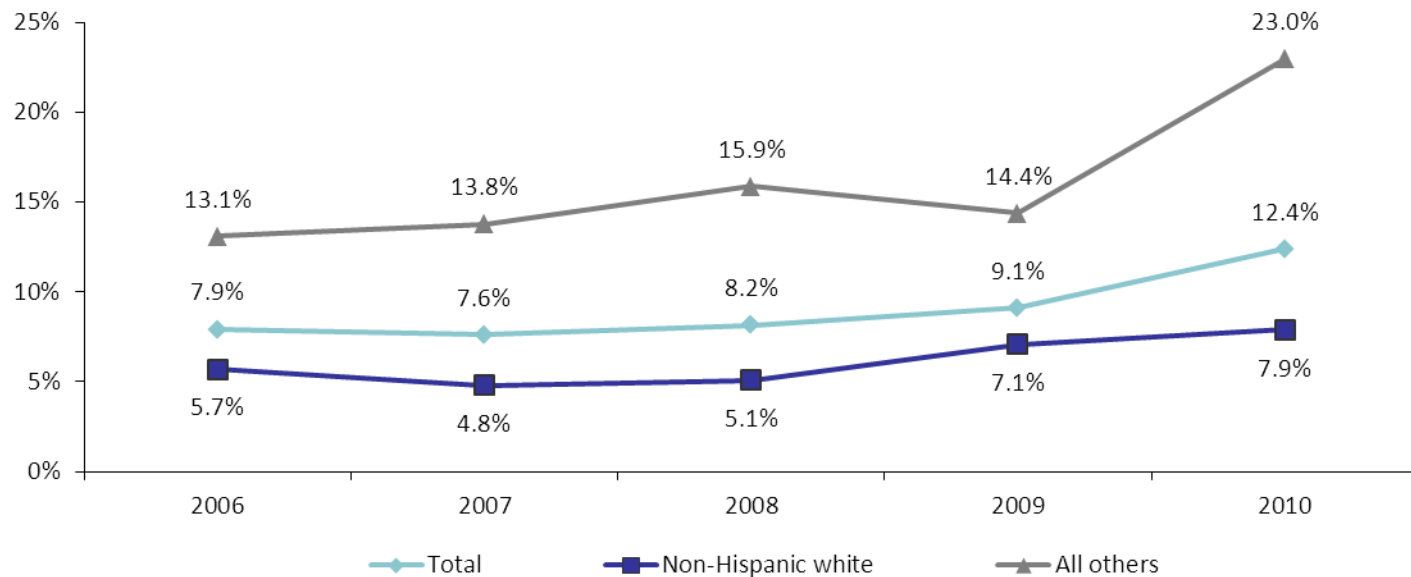
Source: ACS 2006-2010 avg



*Note: This chart is based on a five year average. As a result the numbers will differ from those based on other data sources.

Minneapolis Unemployment by Race and Ethnicity, by year, 2006-2010

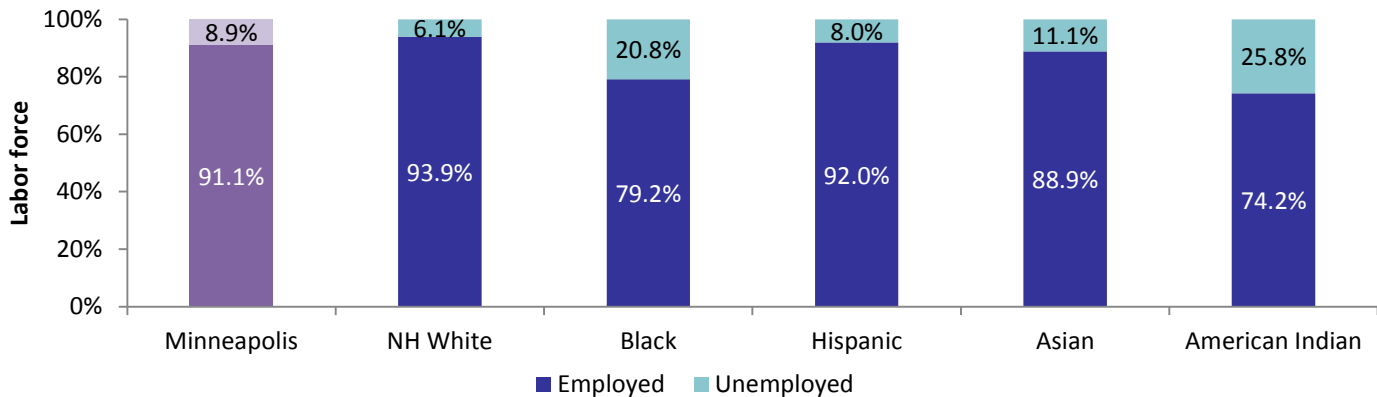
Source: American Community Survey (ACS) 1-year estimates - Table B23002



*Note: This chart is based on a five year average. As a result the numbers will differ from those based on other data sources.

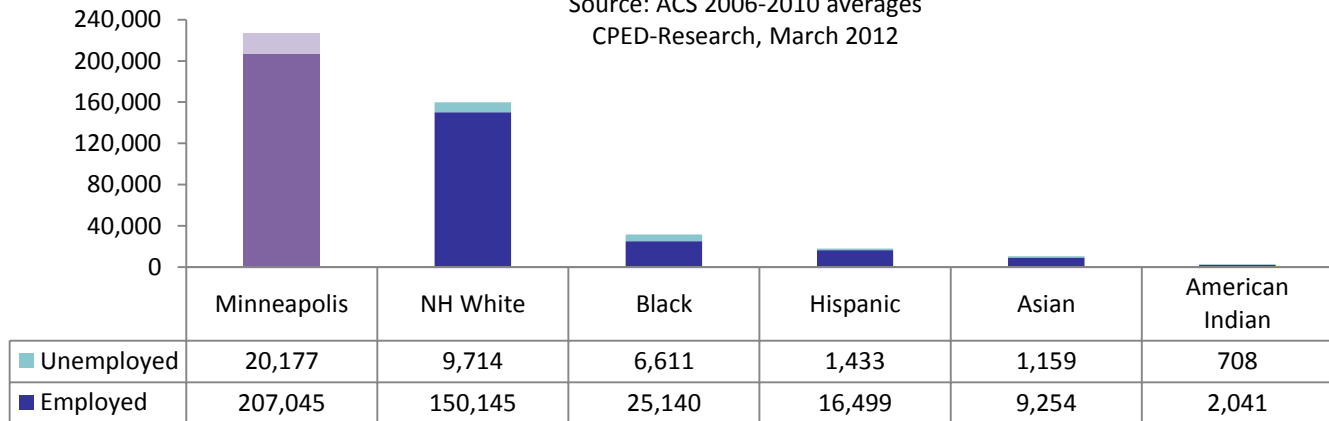
**Minneapolis: Employment and Unemployment by Race and Hispanic Origin
(Population 16 years+)***

Source: ACS 2006-2010 averages
CPED-Research, March 2012



Minneapolis: Employment and Unemployment by Race and Hispanic Origin (Population 16 years+)*

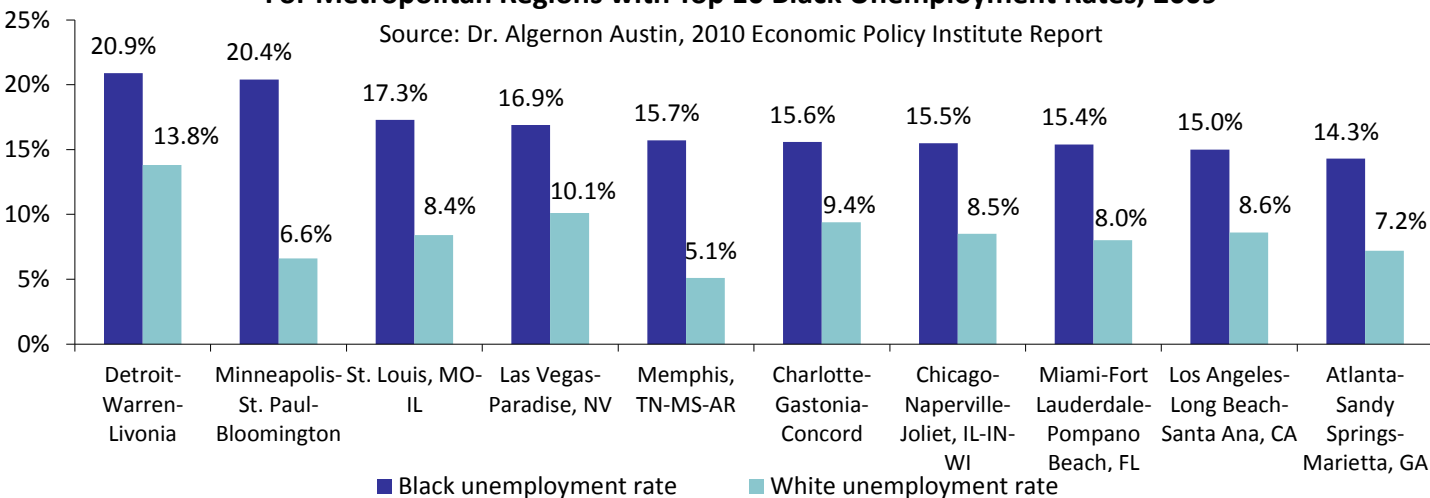
Source: ACS 2006-2010 averages
CPED-Research, March 2012



*Note: The charts above are based on a five year average. As a result the numbers will differ from those based on other data sources.

**Black/White Unemployment
For Metropolitan Regions with Top 10 Black Unemployment Rates, 2009**

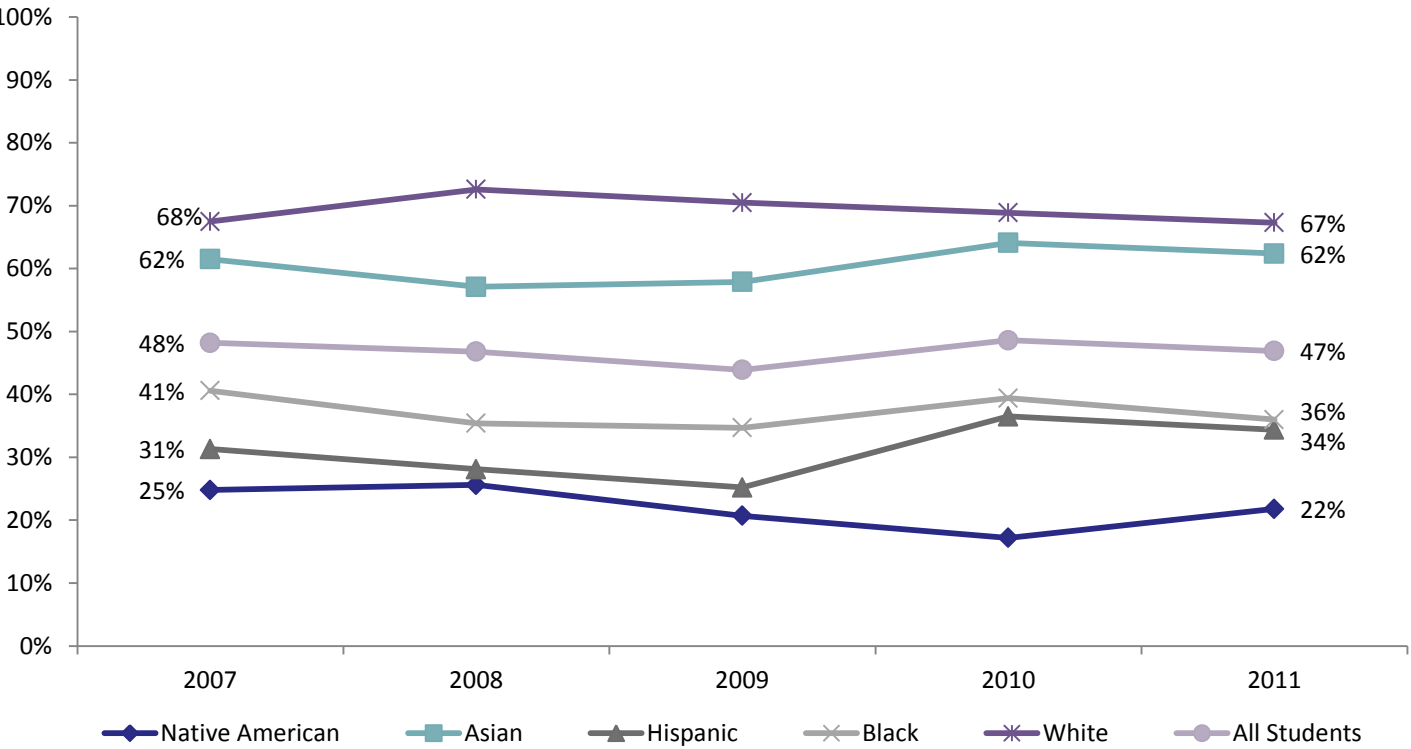
Source: Dr. Algernon Austin, 2010 Economic Policy Institute Report



Strategies to Eliminate Racial Employment Disparities

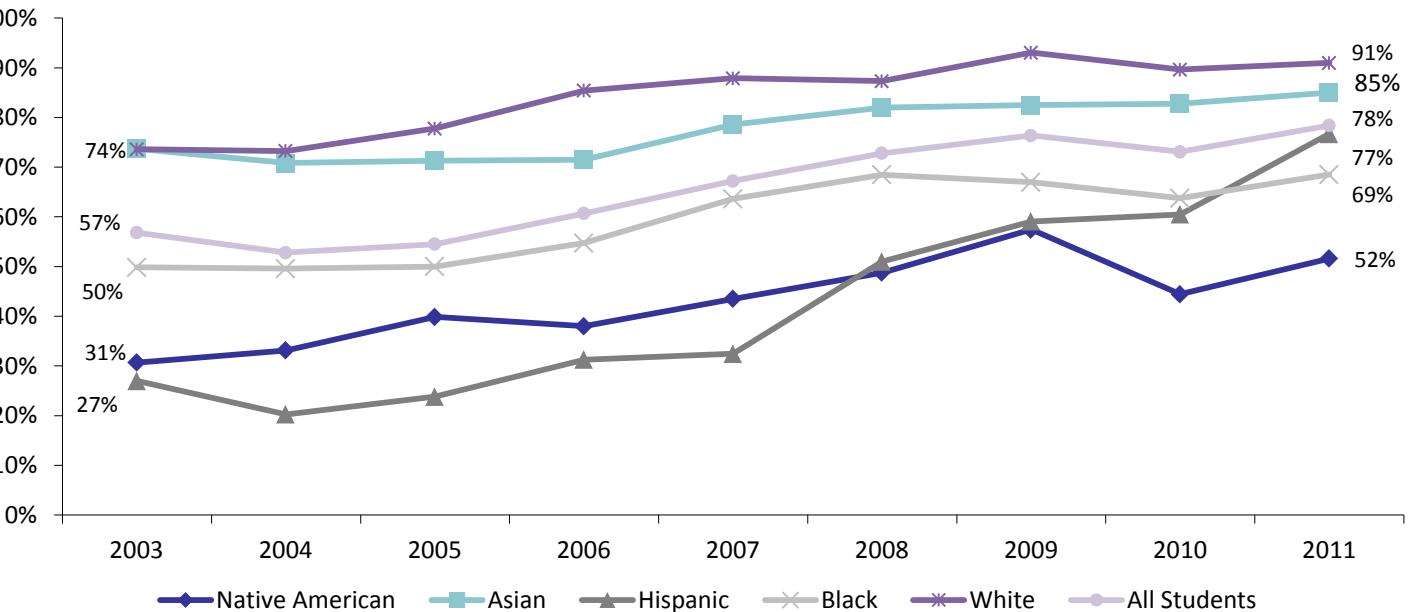
4 YR Graduation Rates by Race/Ethnicity

Source: Minneapolis Public Schools & Minnesota Department of Education



6 Year Graduation Rates by Race/Ethnicity

Source: Minneapolis Public Schools & Minnesota Department of Education



**Note: Prior to 2012, the Minneapolis Public Schools reported the number of students who graduated within 6 years of starting high school. In order to be more consistent with federal and state reporting requirements, MPS began reporting 4 year graduation rates in 2012.*

Narrative and additional data on next four pages...

Why is this measure important?

High school graduation correlates with increased access to desirable job markets, thus higher potential wage earnings, and an increase in critical thinking skills that steer young people away from impulsive, harmful behavior. Furthermore, increased graduation rates and overall higher levels of educational attainment are associated with better public safety and economic outcomes. According to a Columbia University study, high school graduates tend to have more healthy lifestyles and are less likely to use publicly financed health insurance programs. High school dropouts are also at a greater risk of receiving other forms of public assistance, including federal welfare, food stamps and public housing. The research estimates that if high school dropouts receiving assistance had earned a high school diploma, the total cost savings would be between \$7.9 and \$10.8 billion a year. High school graduation also serves as an important benchmark in the process of transition to adulthood and has a “normalizing effect” on the individual that leads to formation of more positive social networks.

According to the Alliance for Excellent Education, an estimated 10,200 students in the Minneapolis–St. Paul–Bloomington area dropped out from the Class of 2010 at great costs to themselves and to their communities. Cutting that number of dropouts in half for this single high school class could result in tremendous economic benefits to the region. The following are the contributions that these 5,100 “new graduates” would likely make to the Minneapolis–St. Paul–Bloomington economy:

- This single class of new graduates would likely earn as much as \$81 million more in an average year, compared to their likely earnings without a high school diploma.
- New graduates’ increased earnings would likely allow them to spend up to an additional \$59 million and invest an additional \$23 million during an average year.
- By the midpoint of their careers, these new graduates would likely spend as much as \$250 million more on home purchases than they would spend without a diploma. In addition, they would likely spend up to an additional \$4.4 million on vehicle purchases during an average year.
- The additional spending and investments by these new graduates, combined, would likely be enough to support as many as 650 new jobs and increase the gross regional product by as much as \$112 million by the time they reach their career midpoints.
- As a result of these new graduates’ increased wages and higher levels of spending, state and local tax revenues in the region would likely grow by as much as \$10 million during an average year.

http://www.all4ed.org/files/MinneapolisMN_leb.pdf

Continued on next page...

What will it take to make progress?

The low graduation rates of students of color, left unaddressed, will further widen the racial/ethnic gap between the haves and have-nots of Minneapolis. Efforts should be made on several levels to help young people finish high school. Most obviously, the education system must be seen as a long-term investment. While turning around individual schools and large districts takes time, it is crucial to create *lasting* changes for communities in terms of more economically healthy communities, increased civic involvement and lower crime. Family-, individual-, community-, and school-based models or strategies to reduce school drop out and increase preparation for college and career should be adopted and implemented. Lastly, we must all reinforce our young people with messages encouraging them to pursue their K-12 and post-secondary education.

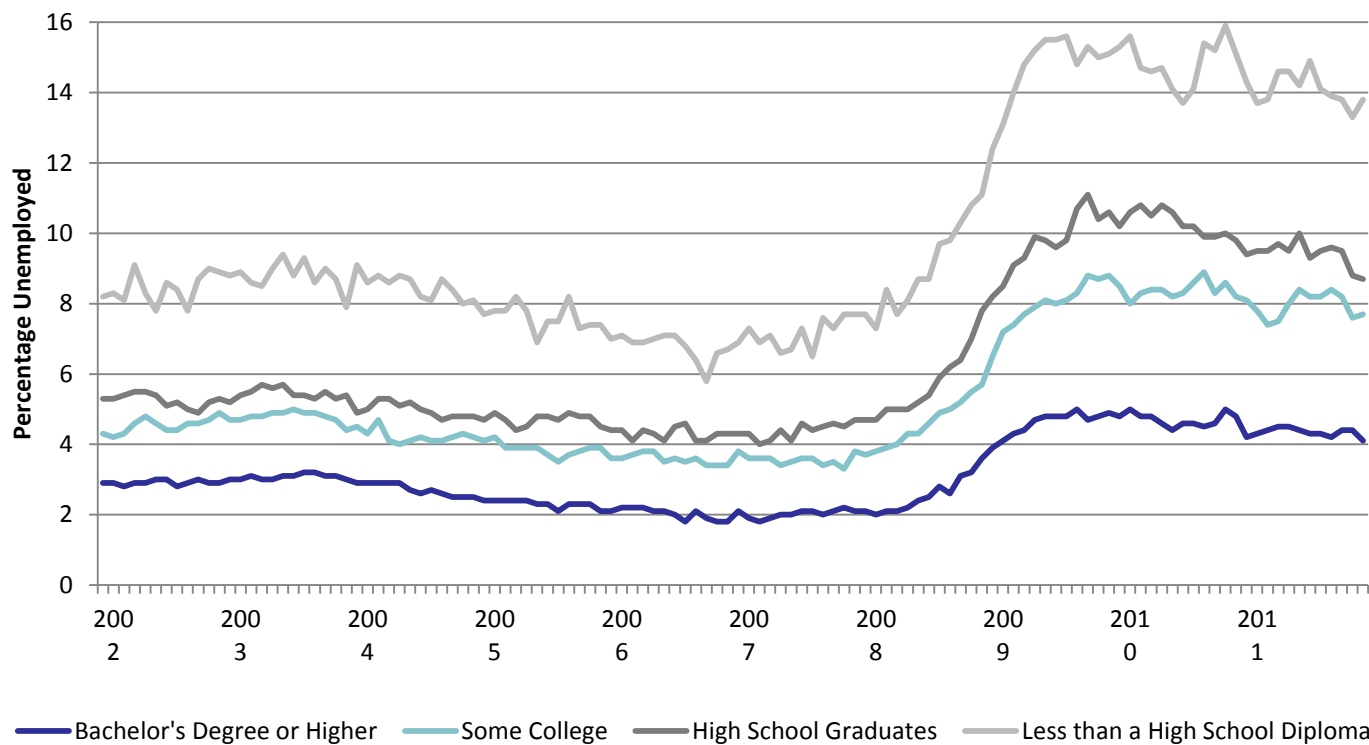
Nearly everything MPS does is geared toward the ultimate goal of college readiness. Key initiatives to improve graduation rates include:

- Raising the expectations of students, staff and community that all students, regardless of background, can achieve at high levels and should be prepared for college
- Making sure that MPS' curriculum, across all of its grade levels, adequately prepares students for college
- Identifying and correcting policies and practices that perpetuate racial inequality and the achievement gap
- Investing in developing high performing teachers and principals and providing the support they need to obtain excellent results for all students
- Implementing high-quality, rigorous "Core 4" programs in every high school, such as College in the Schools, Advanced Placement, Signature Career & Technical Education and International Baccalaureate, and increasing access to online learning and college courses
- Implementing a rigorous accountability system for all staff across the district
- Transforming relationships with families, including expanding programs such as Connecting Parents to Educational Opportunities that educate parents about college access and how to help their children succeed in school
- Requiring all ninth graders to complete My Life Plan, a tool for raising student expectations and purposefully planning the path to high school graduation and college entrance
- Providing a college and career center in each high school, in partnership with Achieve Minneapolis, to serve as a hub within schools for engaging students with the outside world via speakers, internships and summer jobs (e.g., STEP-UP program.) The centers also support students through the process of researching and applying to colleges and financing college.

Additional data on following two pages...

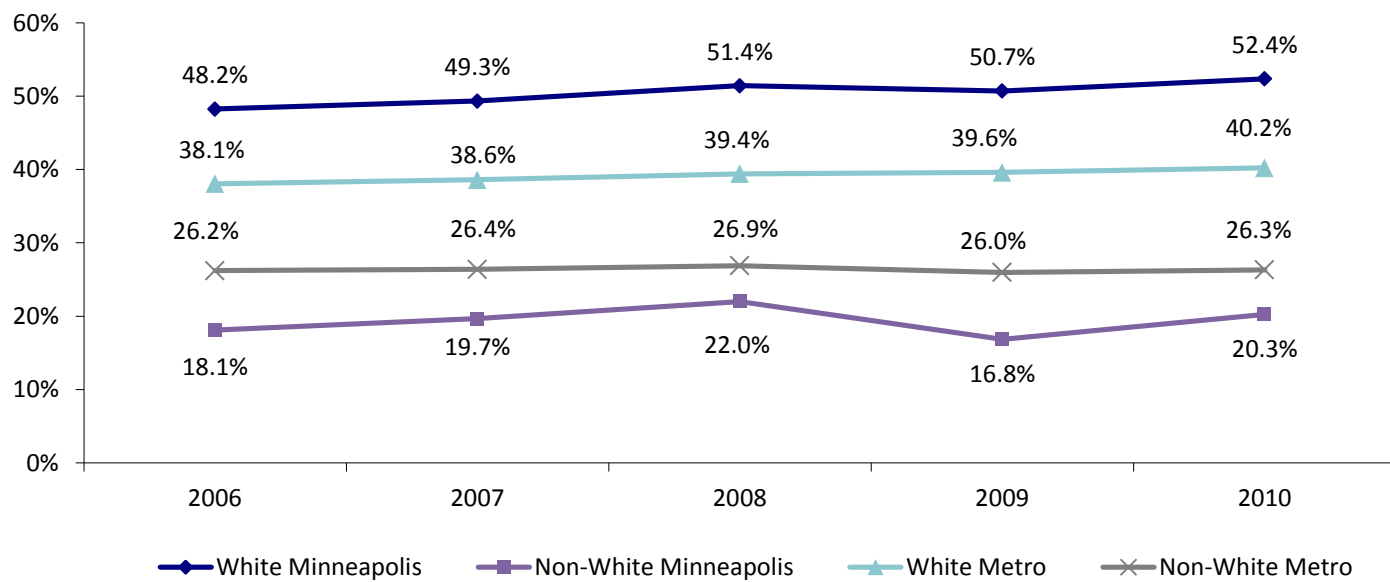
National Unemployment Rates by Level of Education
Adults 25 Years and Above

Source: DEED



Minneapolis and Metro Area*: Educational Attainment for the Population 25 Years and Older (percentage of people with a bachelor's degree or higher)

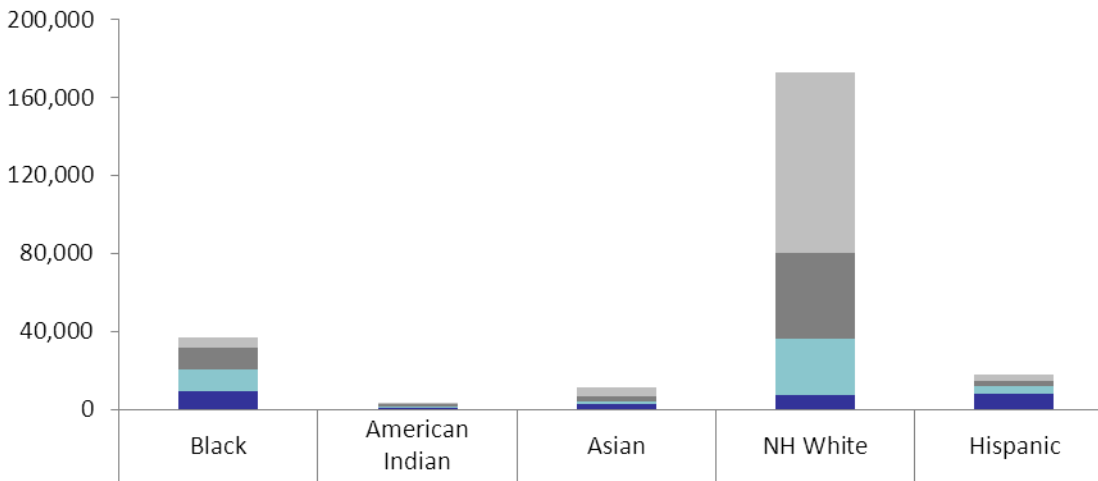
Source: ACS 1-year estimate
CPED-Research, March 2012



*Minneapolis-St. Paul-Bloomington, MN WI metropolitan area

Minneapolis: Educational Attainment
25 year-old Population by Race and Hispanic Origin
ACS 2006-2010 average

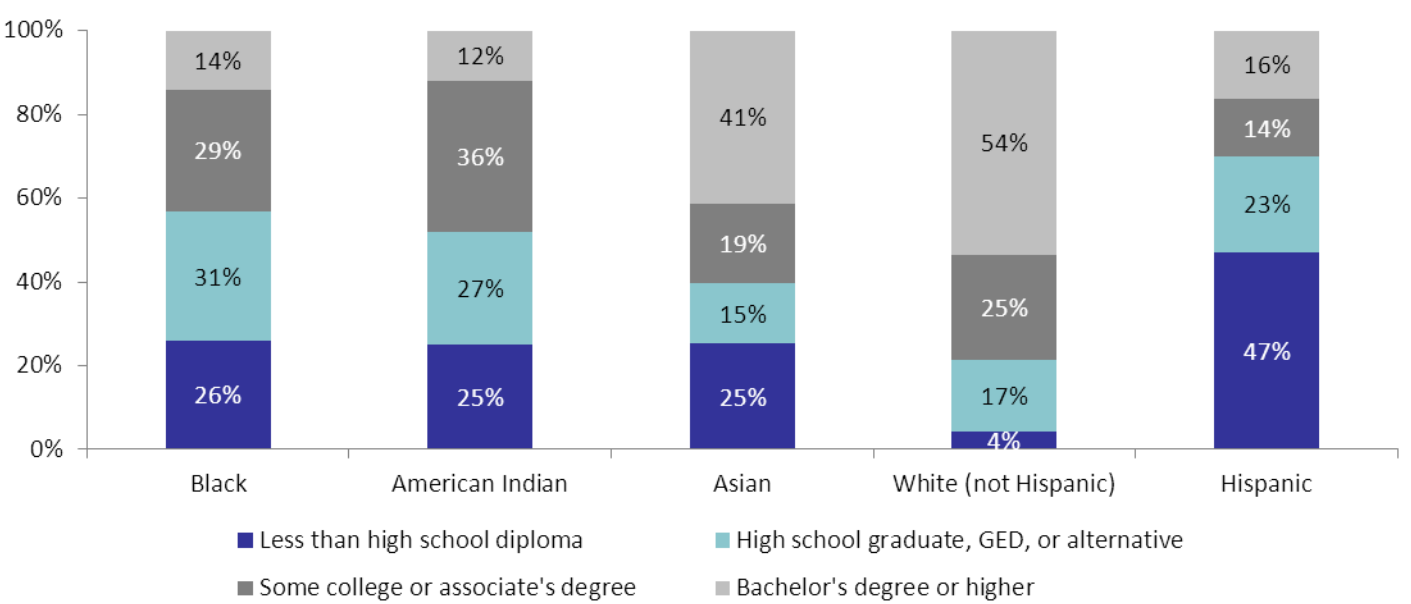
Source: American Community Survey- 5 year average
CPED-Research, March 2012



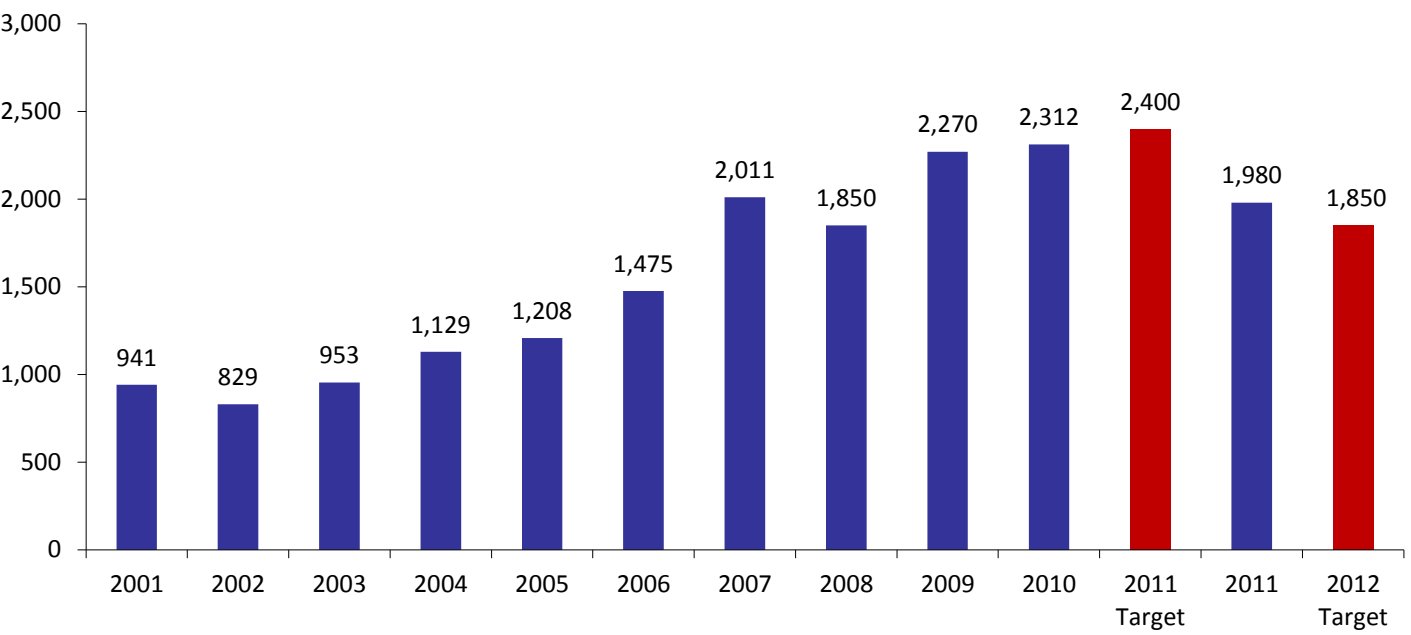
■ Bachelor's degree or higher	5,192	407	4,784	92,736	2,930
■ Some college or associate's degree	10,786	1,200	2,186	43,466	2,460
■ High school graduate, GED, or alternative	11,348	899	1,680	29,291	4,069
■ Less than high school diploma	9,574	842	2,915	7,506	8,424

Minneapolis: Educational Attainment in Percents
25-year-old Population by Race and Hispanic Origin
ACS 2006-2010 average

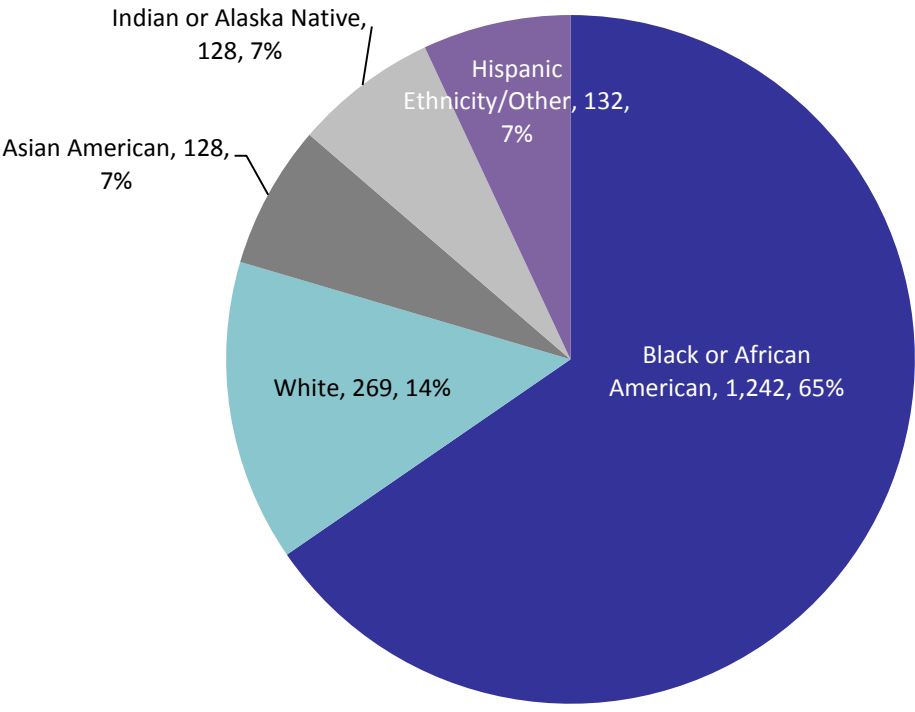
Source: ACS 5 year average
CPED-Research, March 2012

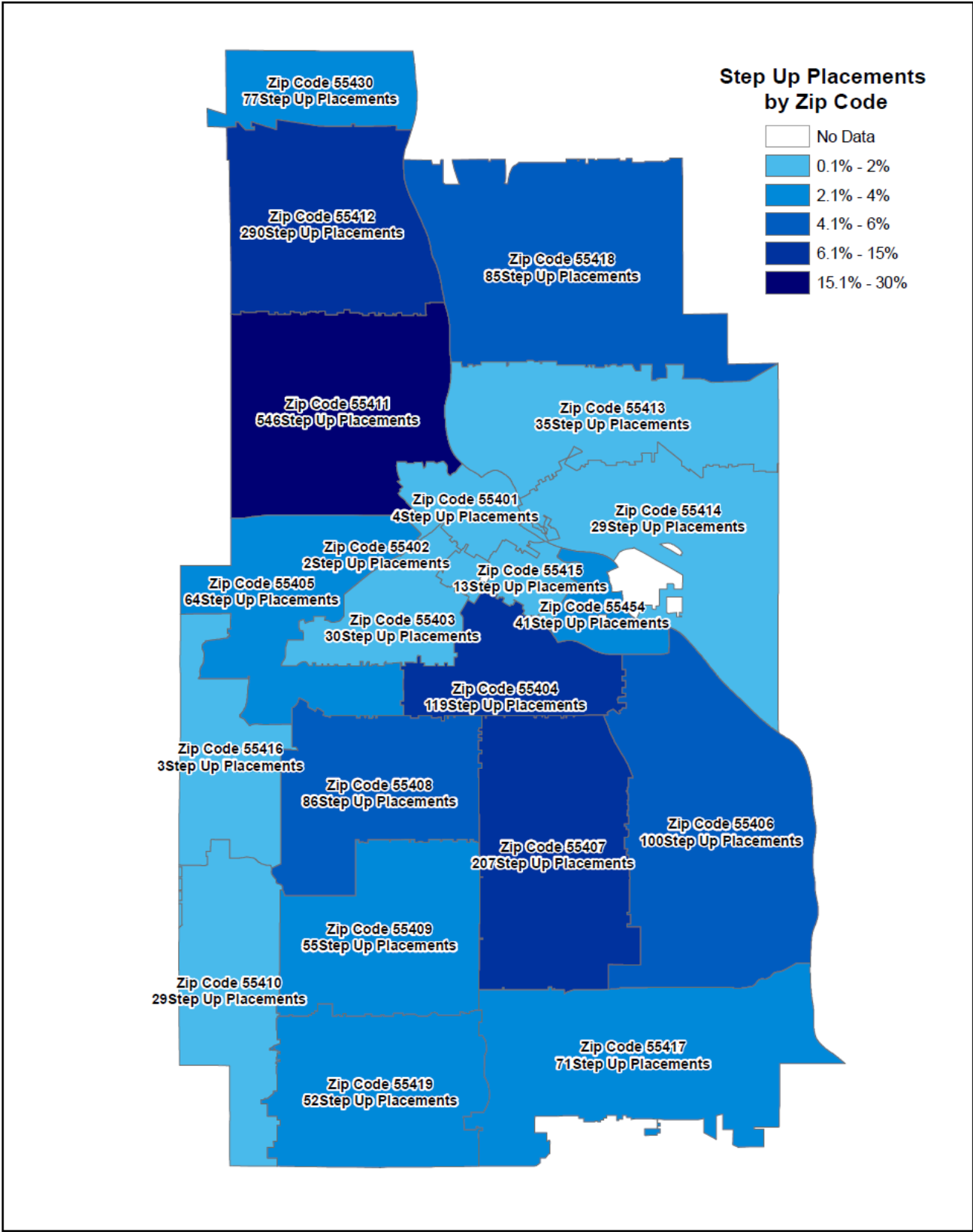


METP Summer Youth Placements (STEP-UP)



Summer Youth Placements
2011





Step Up Placements

Source: Department of Community Planning and Economic Development



Why is this measure important?

A substantial and growing body of literature on the early labor market experiences (summer employment) of teens and young adults consistently indicates that employment during the high school years generates a diverse number of positive short-term and long-run impacts. These impacts include future employability, higher lifetime wages, and overall earnings, especially among those who do not go on to complete substantive amounts of post-secondary education. This is why a focus on youth summer employment is important and necessary.

What will it take to make progress?

Over the past few years the substantial investment of local sources by the Mayor and City Council has resulted in increased participation by Minneapolis youth in the STEP-UP program <<http://www.ci.minneapolis.mn.us/cped/stepup.asp>> and has helped it grow to one of the largest summer employment programs in the state. While STEP-UP is the employment strategy, the broader strategy for preparing the future workforce in Minneapolis is the Mayor's The Minneapolis Promise Initiative. This innovative approach brings together the City of Minneapolis, AchieveMpls, numerous non-profits and the Minneapolis Community and Technical College and the University of Minnesota, to offer Minneapolis youth a clear pathway to summer employment opportunities, career and college counseling, and access to higher education. This strategy has produced outstanding results; including, over 14,000 summer jobs as part of STEP-UP, increased graduation rates and college entrance rates, and nearly 1,000 college scholarship for Minneapolis high school graduates. Progress can be made through growing the STEP-UP program; however, this takes funding. A \$1million investment in STEP-UP provides 500 more Minneapolis teens an opportunity to gain that critical summer work experience.

Additionally, the City of Minneapolis Urban Scholars Program is a leadership development program which seeks to develop students from diverse races and ethnicities into leaders in the public sector. Students who are residents of Minneapolis and currently enrolled in good standing at an accredited 2 year or 4 year college or university may apply for the full-time 10 week summer program. Chosen students will be placed in City departments and will receive a \$4,000 stipend to be paid out over the 10 week period. The program promises to provide a meaningful work experience that will hopefully inspire an enthusiasm for public sector service.

Minneapolis Workforce Plans										
Note: Projects highlighted in blue are still in progress.										
Company	Ryan Companies US, Inc – Midtown Exchange Project (May 2004)	Coloplast Corporation, Kraus-Anderson Construction Company – Coloplast Corporate Headquarter	Kraus-Anderson Construction Company, University of Minnesota Children’s Hospital – Fairview Construction Project	Knutson Construction Services, Children’s Hospital – Expansion/Am bulatory Care Center/Parking Ramp Project (May 2008)	McGough Construction, Artspace Project Inc., Minnesota Shubert Performing Arts and Education Center Project (July 2009)	Lund Martin Construction Inc., City of Minneapolis, Parking Ramp B Improvements and Modifications (August 2009)	Central Roofing Company/City of Minneapolis Convention Center (April 2010)	Cedar Riverside - Sherman Associates./Knutson Construction Co. - Rehabilitation of Cedar Riverside Housing (December 2010)	American Academy of Neurology (AAN) /Mortenson Construction Co. - Construction of office building (December 2010)	American Swedish Institute/Adolfson & Peterson Construction (Febraury 2011)

Local Hiring Goals										
Local Residents	City Goal: 30 Achieved: 45	City Goal: 10 Achieved: 12	City Goal: 30 Achieved : 37	City Goal: 30, Achieved: 31	City Goal: 30 Achieved: 6	Project Goal: 8 Achieved: 3,732 hours	Project Goal: 2 Achieved: 315 hours	Project Goal: 90 MPLS Residents Achieved: 119	Project Goal: 10 MPLS Residents Achieved: 7	Project Goal: 10 MPLS Residents Achieved: 8

Construction Employment Goals in Percentages										
Skilled Minority	City Goal: 15% Achieved: 16.8%	City Goal: 11% Achieved: 11.1%	City Goal: 11% Achieved: 11.47%	City Goal: 11% Hospital Goal: 15% Achieved: 14.4%	Project Goal: 15% Achieved: 16.2%	Project Goal: 12% Achieved: 9.9%	City Goal: 11% Project Goal: 15% Achieved: 41.9%	City Goal: 11% Project Goal: 15% Achieved: 17.8%	Project Goal: 15% combined Achieved: 15%	Project Goal: 11% Achieved: 10.12%
Unskilled Minority	City Goal: 20% Achieved: 20.8%	City Goal: 11% Achieved: 21.8%	City Goal: 11% Achieved : 20.17%	City Goal: 11% Hospital Goal: 20% Achieved: 16.3%	Project Goal: 15% Achieved: 16.3%	Project Goal: 13% Achieved: 26.8%	City Goal: 11% Project Goal: NA	City Goal: 11% Project Goal: 15% Achieved: 23.5%		
Female	City Goal: 5% Achieved: 6.8%	City Goal: 6% Achieved: 7.7%	City Goal: 6% Achieved: 6.10%	City Goal: 6% Hospital Goal: 6% Achieved: 4.8%	Project Goal: 6% Achieved: 5.4%	Project Goal: 8 to 6% Achieved: 6.5%	City Goal: 6% Achieved : 3.8%	City Goal: 6% Project Goal: 8% Achieved: 6%	Project Goal: 6%	Project Goal: 2.49%

Construction Subcontracting Goals in Percentages										
Minority-Owned Businesses	City Goal: 13% Achieved: 14%	City Goal: 9% Achieved: 9.2%	City Goal: 5% Achieved: 7.09%	City Goal: 13% Achieved: 8.2%	City Goal: 10% Achieved: 10.5%	City Goal: 7% Achieved: 16.5%	City Goal: 7% Achieved: 7.02%	City Goal 5% Project Goal 10% Achieved: 11.8%	Project Goal: 10-15% combined WMBE Achieved: 16%	Project Goal: 10% Achieved: 14%
Women-Owned Businesses	City Goal: 11% Achieved: 16%	City Goal: 8% Achieved: 8.1%	City Goal: 5% Achieved: 7.15%	City Goal: 11% Achieved: 13.2%	City Goal: 11% Achieved: 12.8%	City Goal: 9% Achieved: 9%	City Goal: 8% Achieved : 8.41%	City Goal 6% Project Goal 8% Achieved: 15.5%		

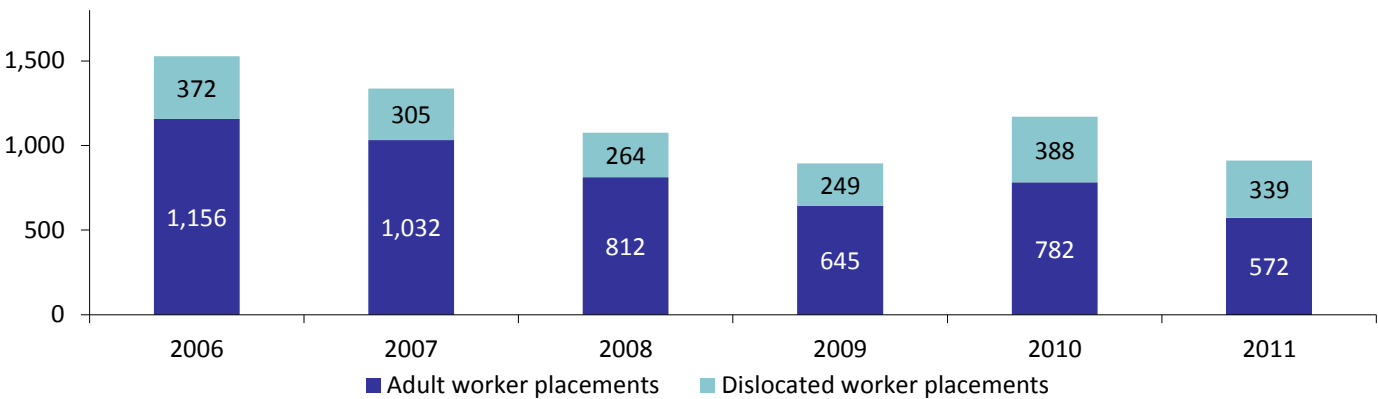
Why is this measure important?

Beginning in 2004 with the Midtown Exchange, the City of Minneapolis Employment and Training Program, in partnership with Business Development and Civil Rights, has worked with numerous City-supported development projects to increase the jobs impact for Minneapolis residents. Many of these workforce plans include aspirational goals for minority and female hiring, local hiring goals from low-income neighborhoods and increased subcontracting goals. Beyond these direct hiring goals, these plans often include youth engagement activities, including exposure to construction related jobs and STEP-UP hiring in a variety of construction and development related jobs.

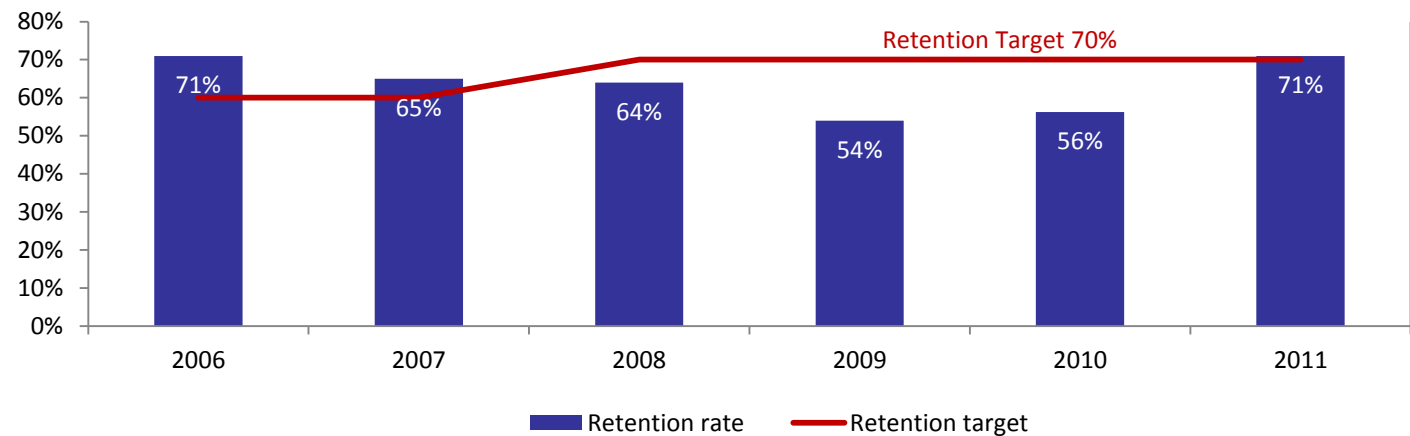
What will it take to achieve the targets?

While there are no targets related to Workforce Plans, the City of Minneapolis intends to use these plans when appropriate on city-supported development projects.

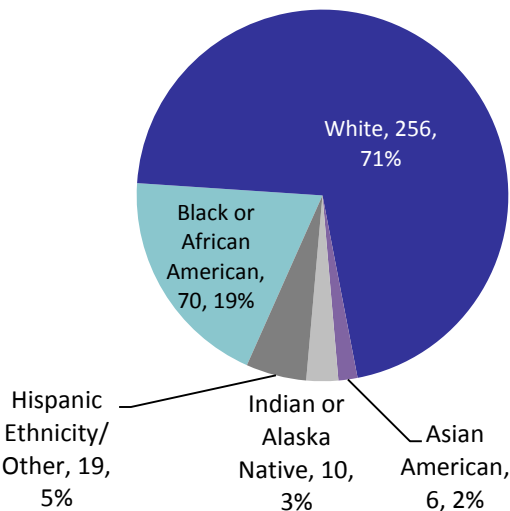
Minneapolis Adult Worker Placements



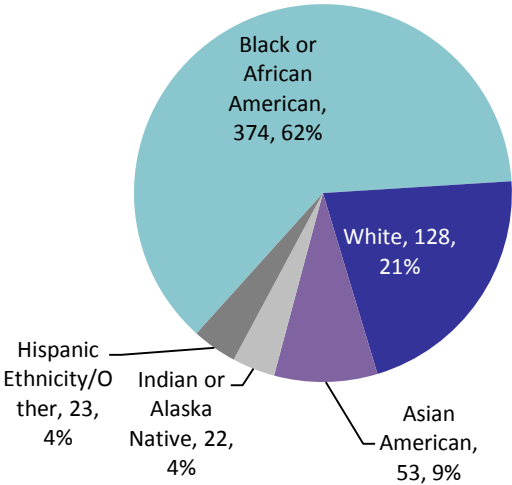
Adult Worker Placement 1 Year Retention Rates



Dislocated Worker Placements
2011



Adult Worker Placements
2011



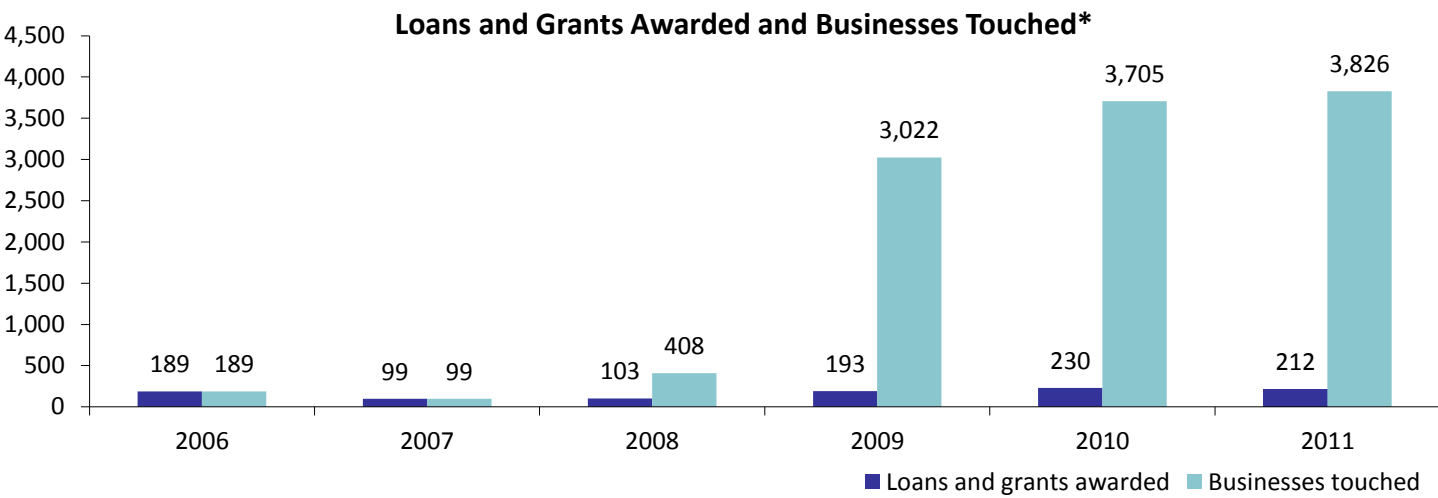
Narrative on next page...

Why is this measure important?

One strategy to increase the number of employed residents in Minneapolis is through increasing access to pre-employment training and direct job placement services. METP partners with many community-based partners to work with unemployed residents to help them quickly and successfully reenter the workforce. The individual strategies employed when working with unemployed persons are varied, but often include training, career exploration, work readiness training and resume building. METP continues to see high demand for employment and training services in Minneapolis. In 2011, dislocated workers and newly retrained low-income adults entered employment at significantly higher rates and with higher wages than adult program participants with little work history or post-secondary credentials, confirming what we know about the current labor market: those with higher skills will enter the labor market first. The emphasis on increasing the skill level of our workforce remains a priority in 2012 and into the foreseeable future.

What will it take to make progress?

Funding remains the key to making progress on increasing accesses to employment counseling and opportunity for training for more unemployed Minneapolis residents. With a continued focus on employment programs that emphasize short- and medium-term credentialed training as part of an individual employment strategy, cost per client increases but so too does the result for these job seekers. On average the starting wage for a participant with a newly gained credential/training is \$6.00 per hour higher than a participant with low skill who simply enters the workforce. Further retention rates are also significantly higher. A \$1 million investment in workforce development results in an opportunity for an additional 150 unemployed Minneapolis adults to gain industry-recognized training, employment counseling and newly found competitiveness in the labor market.



* Included businesses that received loans, façade grants, outreach, or technical assistance

Why is this measure important?

The best way to reduce joblessness is to increase the number of jobs available to Minneapolis job seekers. According to the Small Business Administration, 65% of all new jobs are created by small businesses. However, small businesses are often challenged by financial constraints and lack of owner/manager time to take the steps needed in order to grow.

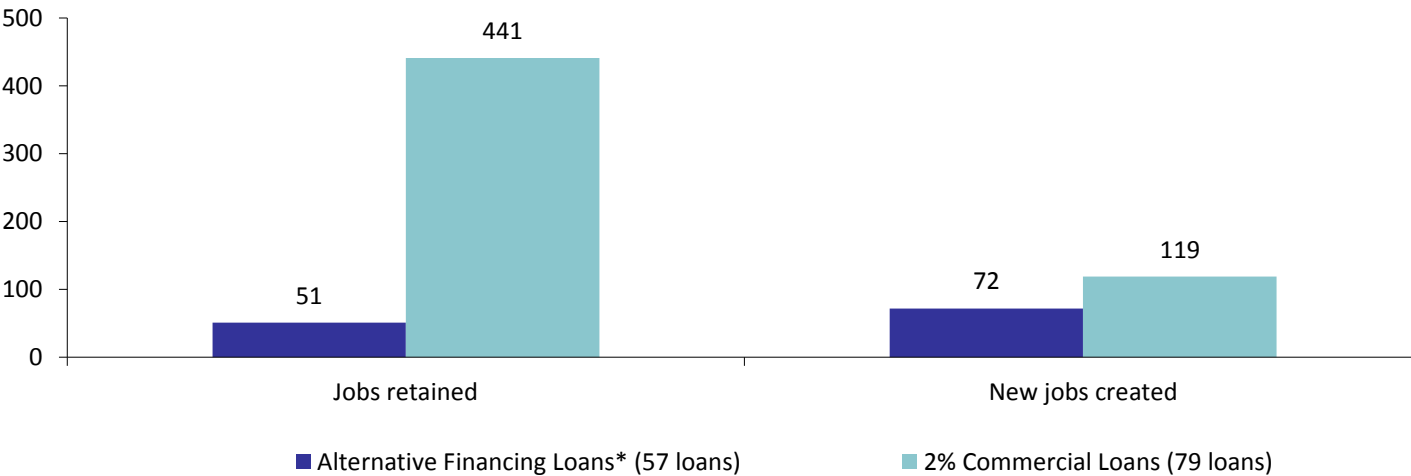
CPED seeks to help existing businesses succeed and expand in the city, as well as to assist start-up businesses and attract new businesses to the city through an aggressive business calling program and a robust business assistance toolbox. Our goal is to make businesses feel welcome in the city and to ensure that they are aware of resources available to help them succeed. Assistance ranges from helping employers recruit and hire trained employees, to providing technical assistance, to financing real estate and equipment acquisitions.

What will it take to make progress?

- Specific to the goal of reducing the disparity in employment goals, CPED plans to expand its work in the following areas:
- As the above graph shows, we have continuously expanded our **business welcome program** and our **business calling program**. We plan to increase emphasis on calling on minority businesses. These businesses often hire from minority communities. Ensuring that minority-owned businesses are aware of all the city’s resources will help remove barriers to growth.
 - Continue to connect minority-owned, and other small businesses to **entrepreneur training programs**, including the SBA E-200 program, Hennepin County’s Economic Gardening program, and the City’s new Technical Assistance Program. These programs offer a range of assistance, from individual mentoring of a start up, to a mini MBA program for an expanding enterprise, and can spell the difference between business failure and rapid business expansion.
 - Make RENEW and other METP training and placement programs the “**recruitment resource of choice**” for employers. CPED business calls always include a discussion of the City’s ability to help the businesses find and hire qualified applicants. As later pages show, a high percentage of clients served through METP’s programs are persons of color. We are intensifying this effort through the creation of a **new business liaison position in METP**, dedicated to linking the labor needs of business with the labor force training of our post-secondary institutions and placement activities of our nonprofit partners.
 - Continue to offer **small business financing options** and develop new products in response to changing needs. The Alternative Finance program is still unique in the country. Our Working Capital Guarantee has enabled many small businesses to weather the recession. The City’s 2% loan was selected as a best practice by the Governor’s Access to Credit Task Force and is being replicated by the State.

Continued on next page...

Jobs Created and Retained Through Business Loans to Immigrant Entrepreneurs
(2008-2011)



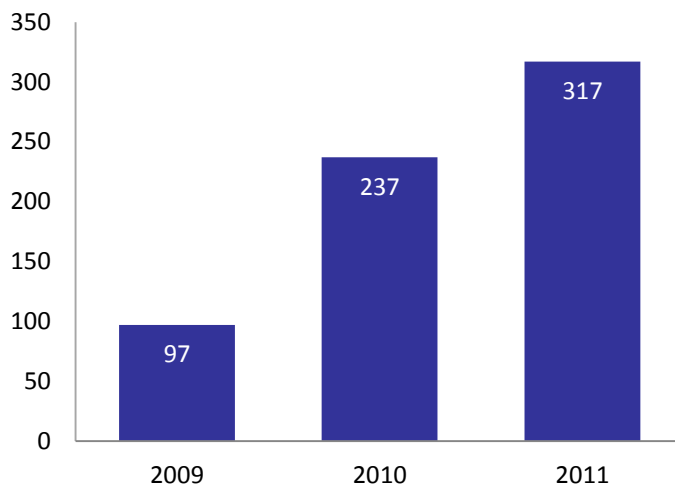
* The Alternative Financing program was developed in partnership with the African Development Center as a Sharia-compliant business finance tool similar to the City’s 2% loan program.

Business Loans to Immigrant Entrepreneurs (2008-2011)	City Funds	Private funds leveraged
Alternative Financing* (57 investments)	\$1,056,000	\$1,278,000
2% Commercial Loans (79 loans)	\$2,192,000	\$6,121,000
Total	\$3,248,000	\$7,399,000

RENEW Job Fair Activity

	Date	Number of Employers	Number of Job Seekers
Job Fair 1	Nov-10	15	90
Job Fair 2: Solar Specific	Dec-10	6	25
Job Fair 3	Apr-11	20	100
Job Fair 4: Solar Specific	Apr-11	6	25
Job Fair 5	Jul-11	25	50

Business Visits



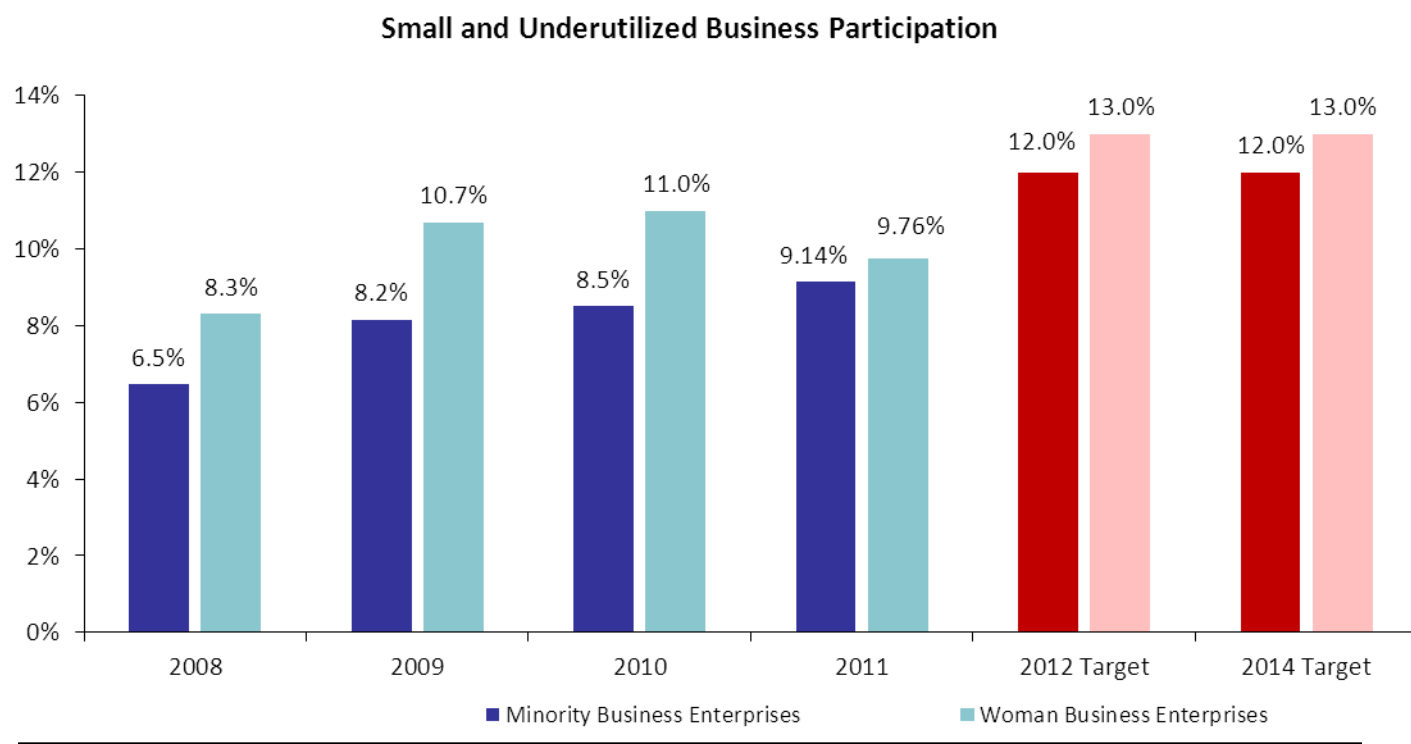
Why is this measure important?

Work force studies show that 75% of people who land jobs do so through networking. The era of finding a job through newspaper ads is past. Minority community members are often less connected to mainstream business networks, and hence, are less likely to hear about job opportunities. To increase the likelihood of minority residents becoming aware of and securing available jobs, we need to increase networking among minority community members and mainstream businesses.

What will it take to get there?

The One Minneapolis team has identified and is pursuing the following strategies:

- Business Visits:** Through ongoing CPED business visits, staff introduce employers to RENEW and other METP job training, recruitment, and placement services. The majority of clients served through METP programs are persons of color. We will be intensifying our efforts through the newly created business liaison position in METP. We need to ensure that the same message is carried into the anticipated regional business calling plan throughout GreaterMSP.
- Job Fairs:** For decades job fairs have been one avenue to connect job seekers to open positions; however, as the number of job seekers increased and the number of job openings decreased during the recession, the effectiveness of job fairs for networking and skill matching decreased. In response to the changing hiring dynamic and strategies to get unemployed residents back to work, the City of Minneapolis through the RENEW project, launched a series of RENEW industry-specific job fairs. These RENEW job fairs invited only newly trained RENEW participants and businesses looking to recruit talent. Over the course of the last two years RENEW has hosted five job fairs, two of them specific to the solar industry. These job fairs resulted in job seekers finding employment, businesses finding talent and new networks for professional development. The chart above highlights the demand for job fair participation during the height of the RENEW training period. We plan to continue this industry specific job fair strategy through the RENEW Minneapolis project.
- One Minneapolis Equity in Employment:** Through roundtable discussions with community leaders, One Minneapolis will work to connect the unemployed and underemployed minority community with METP training and job placement services.



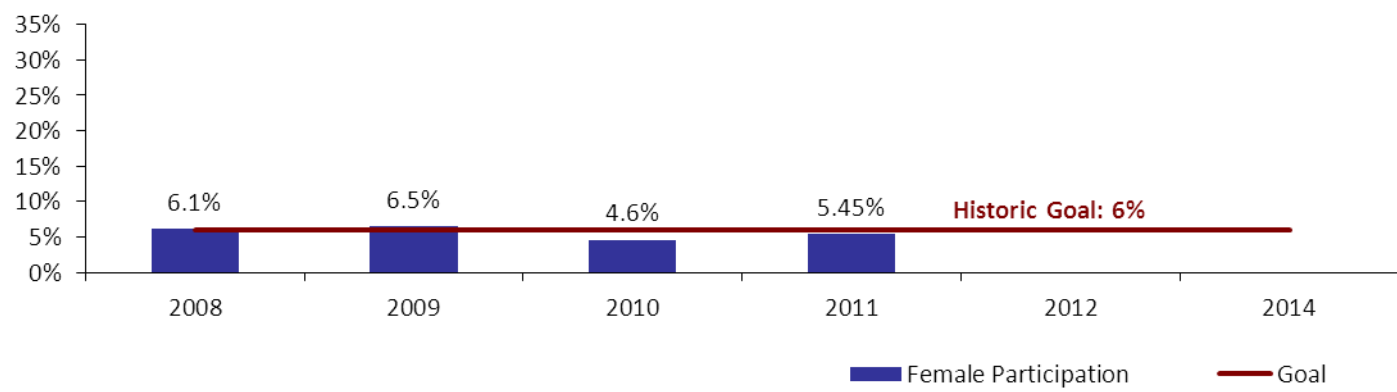
Why is this measure important?

Many minority business enterprises (MBEs) and woman business enterprises (WBEs) do not get a true opportunity to participate on City of Minneapolis projects or to contract directly with the City without the implementation of contract-specific goals. By setting goals on contracts over \$50,000, the City is creating opportunities for small women-owned and minority-owned firms to build their capacity to compete in the marketplace and to increase their ability to become employers of persons that are currently unemployed. Through December 2011, the City’s Contract Compliance Unit has approved and monitored \$17,040,586, or 9.14 percent, in MBE contracts on projects with goals and \$18,201,676, or 9.76 percent, in WBE contracts on projects with goals. These numbers only include projects that were active and/or closed in 2011.

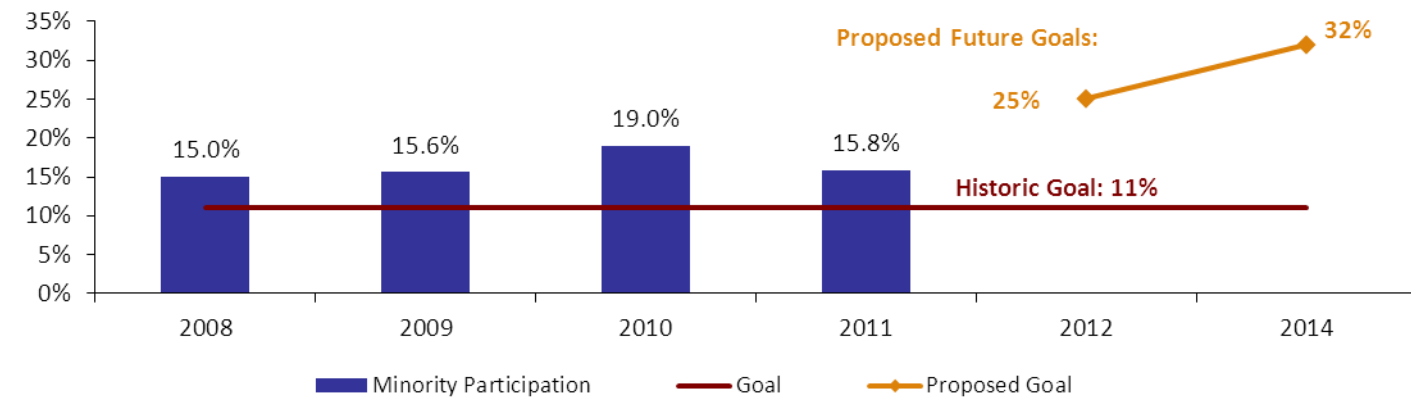
What will it take to achieve the targets?

In addition to setting goals on construction projects and procurements that are over \$50,000, the City has laid the foundation for increased access and opportunities to its purchasing and contracting for small woman-owned and minority-owned firms by implementing a supplier diversity program. In order to make its purchasing and contracting process more inclusive of woman-owned and minority-owned firms, in October of 2011, the city approved a 25% aspirational goal for inclusion of W/MBEs on direct procurements that are not put out for formal bid. The Department of Civil Rights has met with all City departments, and each has agreed, where feasible, to include local and small businesses in their direct purchases. An important purpose of the supplier diversity program is to develop long-term relationships with local small businesses, which will build business capacity and strengthen local economic growth. These measures are important because they support entrepreneurship and help to create a level playing field of competition in the marketplace. As businesses are better able to build their capacity, they in turn help stabilize the community.

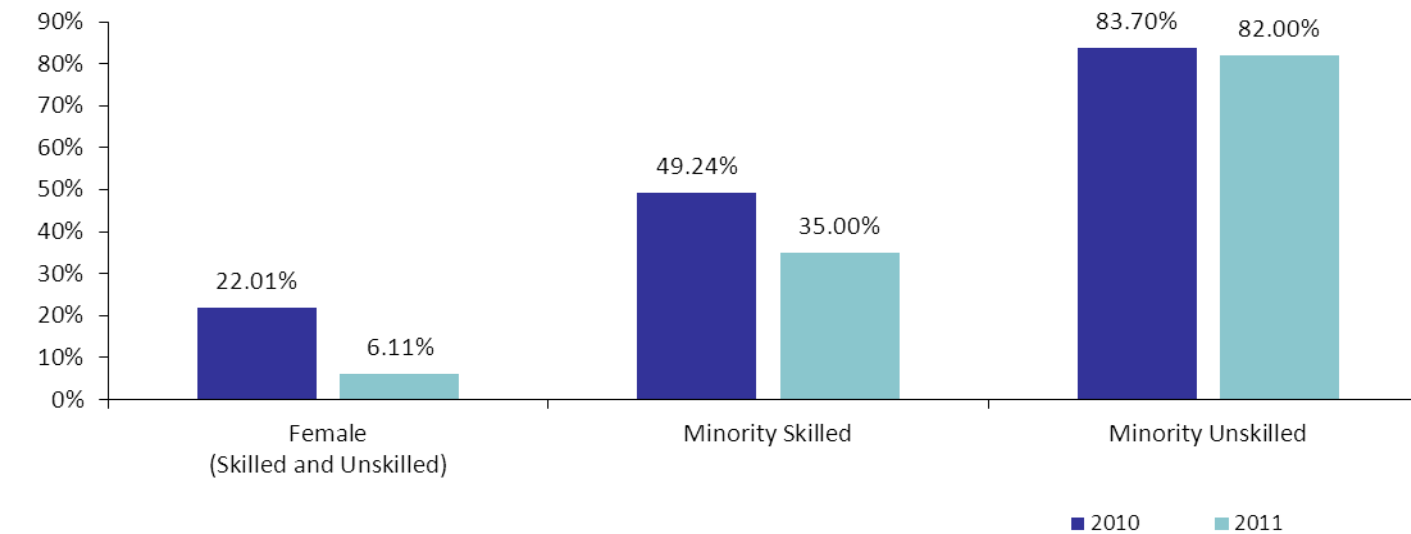
Percent of Female Trade Worker Participation Versus Established Goals on City Assisted Projects



Percent of Minority Trade Worker Participation Versus Established Goals on City Assisted Projects



Percent of Total Hours Worked by Women and Minorities on the Neighborhood Stabilization Projects



Why is this important?

Studies by the State Demographer further demonstrate that white male trade workers are provided and realize significantly more job opportunities than females and minorities in the field of construction.

The female and the minority goals (includes skilled and unskilled workers) on City construction projects are 6 percent and 11 percent respectively. Setting these goals on projects ensures that minorities and females are provided greater opportunities to participate on City projects. The result is reduced racial and gender disparity, decreased poverty, and a higher quality of life in all communities. An effective compliance unit is necessary to ensure that contractors make genuine and ongoing efforts to meet the goals and diversify their workforce. By providing staff to monitor and implement the goals and assisting contractors in the development of meaningful affirmative action and equal employment policies, the City demonstrates its commitment to closing the employment gaps.

Prior to approving any construction project, the Contract Compliance Unit (CCU) reviews the projected employment participation as it relates to the goals. The CCU analyzes a breakdown of the workforce of each contractor that will perform onsite and compares it with the projected participation on the overall project. If a contractor does not anticipate female and/or minority participation, the CCU ensures that such opportunities will be made available should any openings arise; including, apprentice and new hire opportunities. The CCU monitors the ongoing participation on the overall project on at least a monthly basis for the life of the project to ensure it is adhering to the City's standard goals and the pre-award commitments made by the general contractor. Monitoring is done using data drawn from online certified payroll information submitted by each contractor. If it appears participation is decreasing or the goals are not being met, the CCU analyzes the status of the project and compares the pre-award commitments of every subcontractor on the project with the current participation. Where disparities exist, the CCU engages in compliance activities; from seeking explanations and corrective action to issuing penalties as appropriate. As a result of CCU monitoring, the percentages of women and minorities employed on City projects has remained high during this economic downturn. At the end of December 2011, the City of Minneapolis has approved and monitored workforce participation at 15.46 percent minority skilled labor hours, 17.46 percent minority unskilled labor hours and 5.42 percent female labor hours on over \$214 million worth of projects.

What will it take to achieve the targets?

Achieving the targets will require continued support and resources from City leadership to effectively enforce the City affirmative action ordinance and a continued support of the aggressive efforts to monitor the employment of women, minorities and low-income residents. The current employment goals on all construction projects are that 6 percent of all onsite trade work be performed by women, 11 percent of skilled and unskilled trade work be performed by minorities. New workforce goals have been proposed beginning May 1, 2012.

There has also been very significant low-income, minority and female participation on Minneapolis projects through the Neighborhood Stabilization Program (NSP). Focused on rebuilding single family homes in Minneapolis, the NSP continues to provide substantial contracting and employment opportunities for local and low-income businesses and trade workers.

Pursuant to HUD requirements, the CCU has collected data related to Section 3 new hires and business participation. In addition, the CCU has taken on the extremely arduous task of tracking the contracting and employment level of women and minorities. The female and minority participation is extremely high on these projects; as of December 2011, the workforce levels on the first two phases of NSP were: 35 percent minority skilled, 82 percent minority unskilled and 6.47 percent female. Tracking the employment hours on NSP projects is particularly difficult because the participating firms are very small and the owners are usually workers themselves. The firms often have difficulty providing the data that is necessary to identify employment participation, so the CCU must a lot of spend time and effort addressing this issue and assisting the firms.

The active compliance activity that the CCU engages in, from the pre-award stage through project completion, ensures that females, minorities and low-income residents are recruited and retained on construction projects and that contractors on City projects broaden the traditional scope of applicants and follow through on their pre-award commitments.

This strategy is currently under development. For more information about areas of the city that have high unemployment and development needs, please see the city map of unemployment rates by census tract on page seven and the Inflow – Outflow Analyses of the Phillips and Near North communities on pages 35 and 36.

This strategy is currently under development. For more information about how the City plans to work on a regional approach to addressing unemployment disparities, please see ***Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area – 2011*** on page 39 and the Labor Shed and Commute Shed maps on pages 40 and 41.

This strategy is also currently under development. The strategy will address ways in which the City can reduce racial disparities in the City’s own work force by making changes to ordinances, improving City policies, ordinances, and practices to reduce racial disparities in the City’s own workforce.

Appendix

Change in Minneapolis Economic Sectors 2000 to 2010

Source: Minnesota Department of Employment and Economic Development

Table 1: Sector Growth/Decline in Number of Jobs

Sector	2000	2010	Change in number of jobs 2000- 2010
Total, All Industries	308,758	281,507	(27,251)
<i>Gainers</i>			
Health Care / Social Assistance	39,675	47,004	7,329
Educational Services	25,412	29,385	3,973
Management of Companies	13,864	16,409	2,545
Real Estate / Rental / Leasing	4,597	5,901	1,304
Arts, Entertainment / Recreation	4,605	5,630	1,025
Accommodation / Food Services	21,051	21,931	880
<i>Losers</i>			
Public Administration	13,272	11,842	(1,430)
Utilities	4,514	2,918	(1,596)
Other Services, Ex. Public Admin	11,190	9,282	(1,908)
Professional and Technical Services	32,229	30,301	(1,928)
Finance and Insurance	29,826	26,877	(2,949)
Wholesale Trade	12,234	8,304	(3,930)
Retail Trade	18,952	14,523	(4,429)
Transportation and Warehousing	11,918	7,343	(4,575)
Administrative and Waste Services	18,360	13,571	(4,789)
Information	16,332	10,556	(5,776)
Manufacturing	22,680	14,107	(8,573)

Updated March 2012

Change in Minneapolis Economic Sectors 2000 to 2010

Source: Minnesota Department of Employment and Economic Development

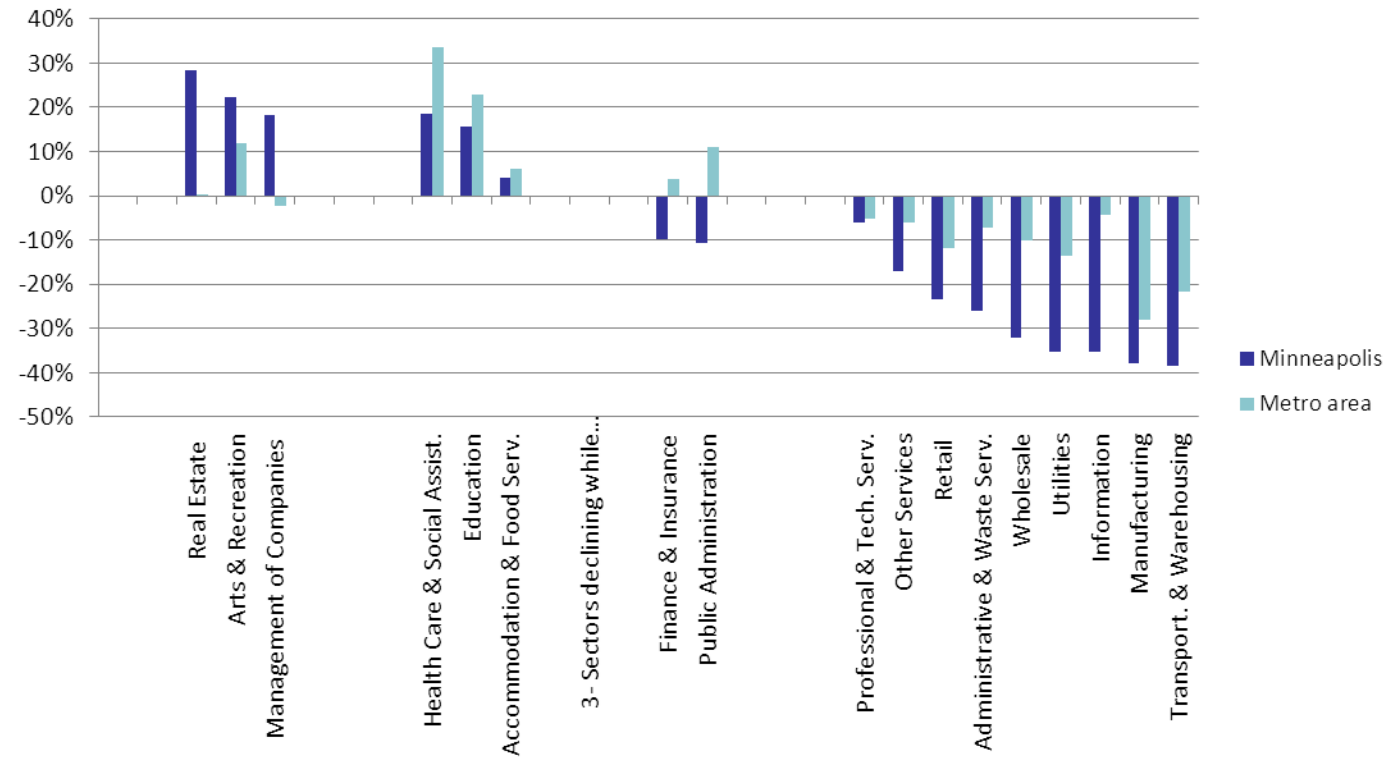
Table 2: Percent Growth/Decline by Sector in Number of Jobs since 2000

	% Growth (decline) (Mpls)	Change in Number of Jobs Since 2000 (Mpls)	% Growth (decline) (Metro)
Region rate of change= -4.0%			
Minneapolis rate of change = -8.8%			
<i>Sectors growing faster than the region</i>			
Real Estate and Rental and Leasing	28.4%	1,304	0.3%
Arts, Entertainment, and Recreation	22.3%	1,025	11.7%
Management of Companies and Enterprises	18.4%	2,545	-2.3%
<i>Sectors growing but not as fast as the region</i>			
Health Care and Social Assistance	18.5%	7,329	33.6%
Educational Services	15.6%	3,973	22.8%
Accommodation and Food Services	4.2%	880	6.0%
<i>Sectors declining while regional sectors are growing</i>			
Finance and Insurance	-9.9%	(2,949)	3.9%
Public Administration	-10.8%	(1,430)	10.9%
<i>Sectors declining faster than the region</i>			
Professional and Technical Services	-6.0%	(1,928)	-5.3%
Other Services, Ex. Public Admin	-17.1%	(1,908)	-6.0%
Retail Trade	-23.4%	(4,429)	-11.8%
Administrative and Waste Services	-26.1%	(4,789)	-7.2%
Wholesale Trade	-32.1%	(3,930)	-10.1%
Utilities	-35.4%	(1,596)	-13.5%
Information	-35.4%	(5,776)	-4.4%
Manufacturing	-37.8%	(8,573)	-27.9%
Transportation and Warehousing	-38.4%	(4,575)	-21.6%

Updated March 2012

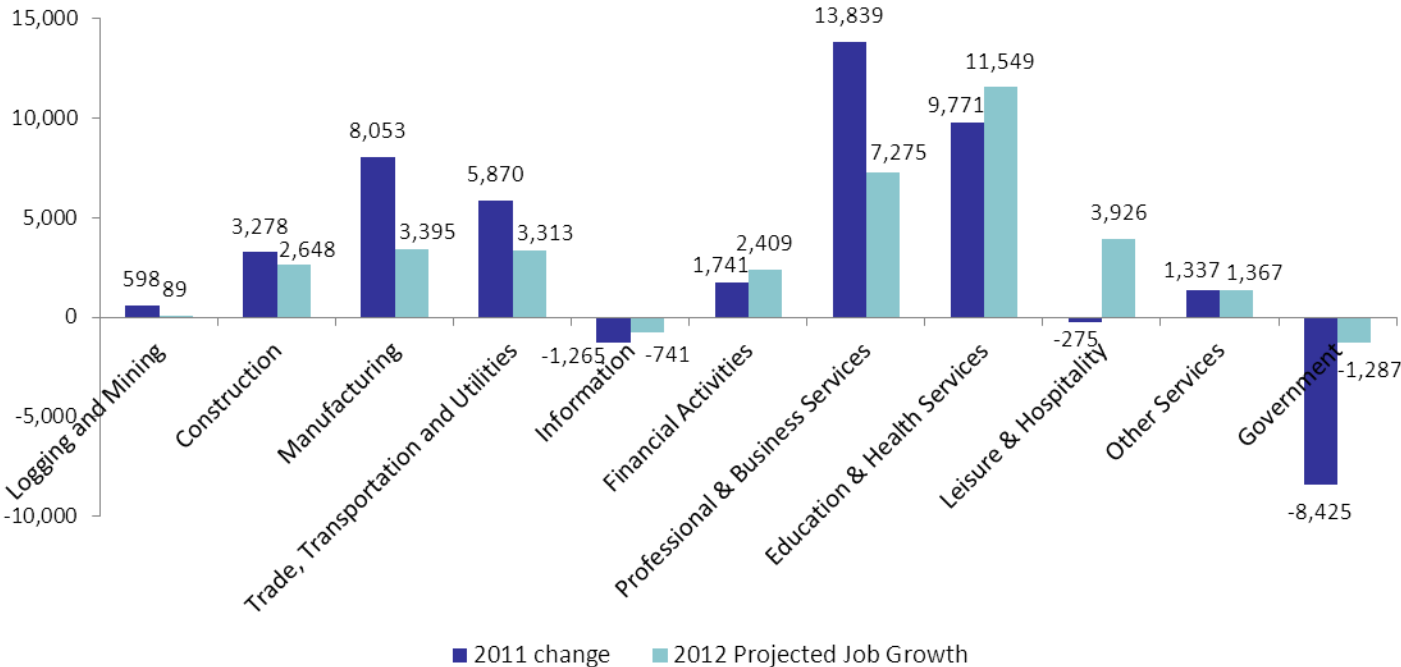
Gainers and losers: Percentage Growth or Decline by Sector in Number of Jobs
Between 2000 and 2010

Source: DEED-QCEW, 2000 and 2010
CPED-Research, March 2012



Minnesota Job Growth by Sector

Source: DEED



Inflow – Outflow Analysis Phillips Community

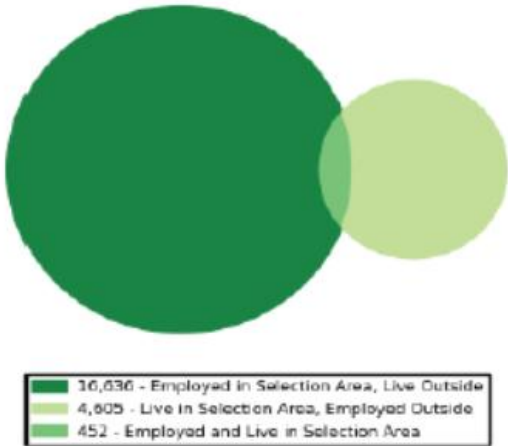


Analysis Selection

Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

- ➔ Employed and Live in Selection Area
- ➔ Employed in Selection Area, Live Outside
- ➔ Live in Selection Area, Employed Outside

Inflow/Outflow Job Counts in 2010



Inflow/Outflow Job Counts (Primary Jobs)

2010

	Count	Share
Employed in the Selection Area	17,088	100.0%
Employed in the Selection Area but Living Outside	16,636	97.4%
Employed and Living in the Selection Area	452	2.6%
Living in the Selection Area	5,057	100.0%
Living in the Selection Area but Employed Outside	4,605	91.1%
Living and Employed in the Selection Area	452	8.9%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2010).
Notes:

1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and only available for 2009 and 2010 data.
2. Educational Attainment is only produced for workers aged 30 and over.

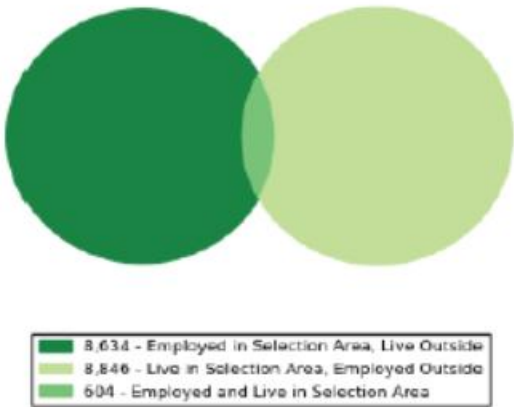
Inflow – Outflow Analysis Near North Community



Inflow/Outflow Job Counts in 2010

Analysis Selection

- Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.
- ➡ Employed and Live in Selection Area
 - ➡ Employed in Selection Area, Live Outside
 - ➡ Live in Selection Area, Employed Outside



Inflow/Outflow Job Counts (Primary Jobs)

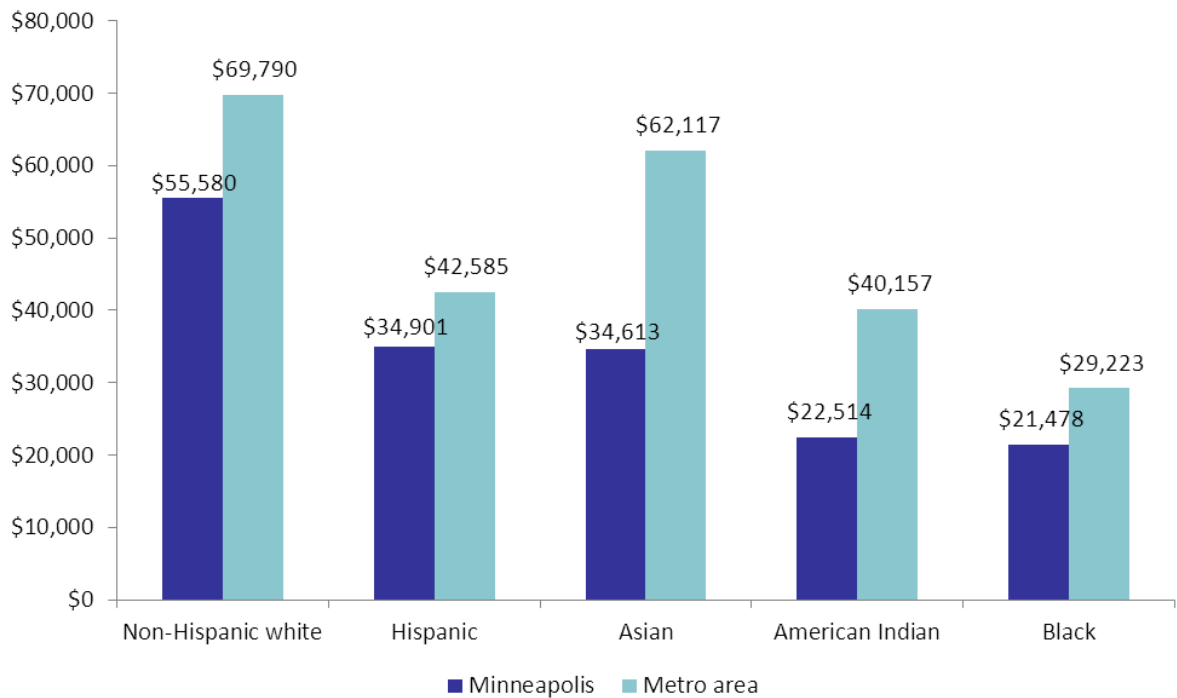
	2010	
	Count	Share
Employed in the Selection Area	9,238	100.0%
Employed in the Selection Area but Living Outside	8,634	93.5%
Employed and Living in the Selection Area	604	6.5%
Living in the Selection Area	9,450	100.0%
Living in the Selection Area but Employed Outside	8,846	93.6%
Living and Employed in the Selection Area	604	6.4%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2010).
Notes:

1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and only available for 2009 and 2010 data.
2. Educational Attainment is only produced for workers aged 30 and over.

**Minneapolis and 13-county SMA
Median Household Income in the past 12 months
by Race and Hispanic Origin
(in 2010 inflation-adjusted dollars)**

Source: ACS 2006-2010 5-year averages
CPED-Research, March 2012



Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area - 2011

The *Everybody In* report was published by the Ramsey County Workforce Investment Board, with the support of the City of Saint Paul and Ramsey County in response to recent data indicating the Twin Cities metropolitan areas has the highest racial employment disparity in the nation. The Workforce Investment Board established the Blue ribbon Commission on Reducing Racial Employment Disparities **to support and align regional economic development efforts; to identify and recommend strategies to reduce racial employment disparities in the Twin Cities metropolitan area; and, to propose action steps that will be implemented within five years.**

The Blue Ribbon Commission proposed six strategies within three issue areas:

Policy, Outreach, and Collaboration:

1. Raise public awareness among employers and the greater community about racial employment disparities (i.e., the severe consequences of not bringing more members of racial, ethnic and cultural communities into the workforce).
2. Create a broad-based regional collaboration of employers, including business, government, nonprofit organizations, educational institutions and service providers to concentrate efforts on decreasing racial employment disparities.
3. Implement specific, targeted policy changes that directly support racial employment equity.

Education and Work Preparedness

4. Strengthen the transparency of workforce development outcomes related to racial employment disparities.
5. Promote opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job training, youth employment/internships) that will help eliminate racial employment disparities.

Racial, Ethnic, and Cultural Businesses

6. Foster business and entrepreneurial opportunities that result in job creation and identify practices to help enlarge the customer base for business owned by members of racial, ethnic and cultural communities.

Action steps were developed for each of the above strategies. All are proposed to be implemented within five years.

The Report also identified what it describes as systemic challenges and shortcomings that impede a consistent and methodical achievement of the goals to eliminate racial employment disparities.

They identified that:

- There are numerous groups working on multiple levels to address regional disparities, but there is no unified, concerted effort that brings these entities together to address various racial employment disparity issues. There is a clear need for a better organized regional effort to address racial employment disparities and to take advantage of the benefits of collaboration and the reduction of redundancies that may exist within and across sectors.
- A more effective approach to connecting racial, ethnic and cultural communities to a broad base of employment networks and opportunities is essential.
- All employers need to be more aware of the impact of their hiring decisions and be proactive in applying hiring practices that do not further exacerbate racial employment disparities. For this to happen, all employers need to collectively work together to ensure employment equity.
- There is limited public awareness about racial employment disparities and their impact on racial, ethnic and cultural communities and on the community as a whole.
- Compliance processes are not consistently successful in monitoring how racial, ethnic, and cultural communities are affected.

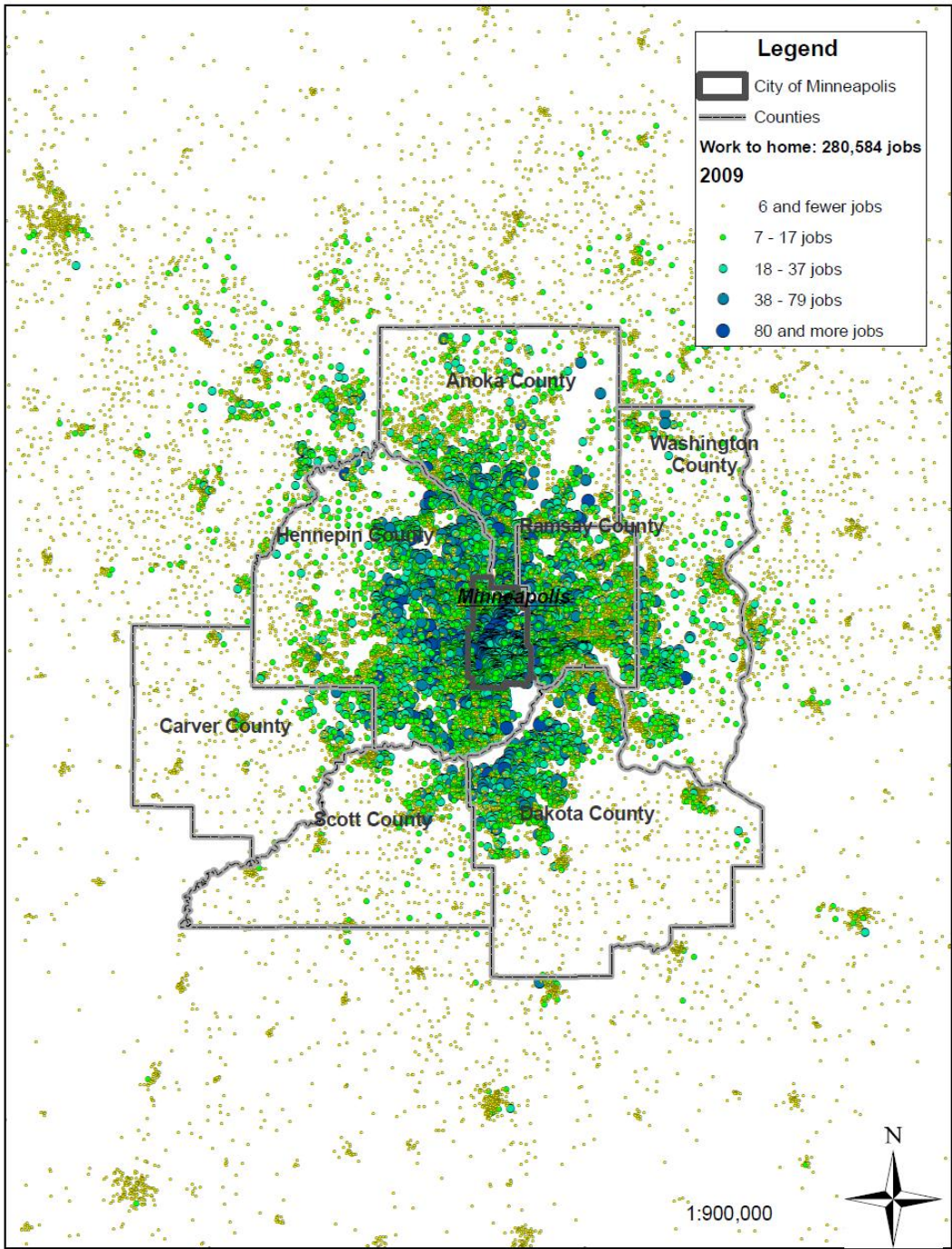
The Report sets out five key actions for creating its framework for implementation, with the first of these actions to be completed by March of 2012.

1. Immediately establish an implementation group and structure.
2. Build on data in the Report to establish a comprehensive inventory of programs and efforts with the Metropolitan area that are aimed at reducing or eliminating racial disparity in employment.
3. Develop and execute an implementation plan to address the six strategies and related actions in this report.
4. Establish a valid and reliable performance measurement system as a critical component of the implementation phase and use it to monitor progress over time.
5. Communicate the implementation group's plan, including preparing and delivering presentations and written summaries appropriate to the needs of a wide range of audiences.

Minneapolis 2009 Labor Shed

Work to home destination

Where Minneapolis workers live



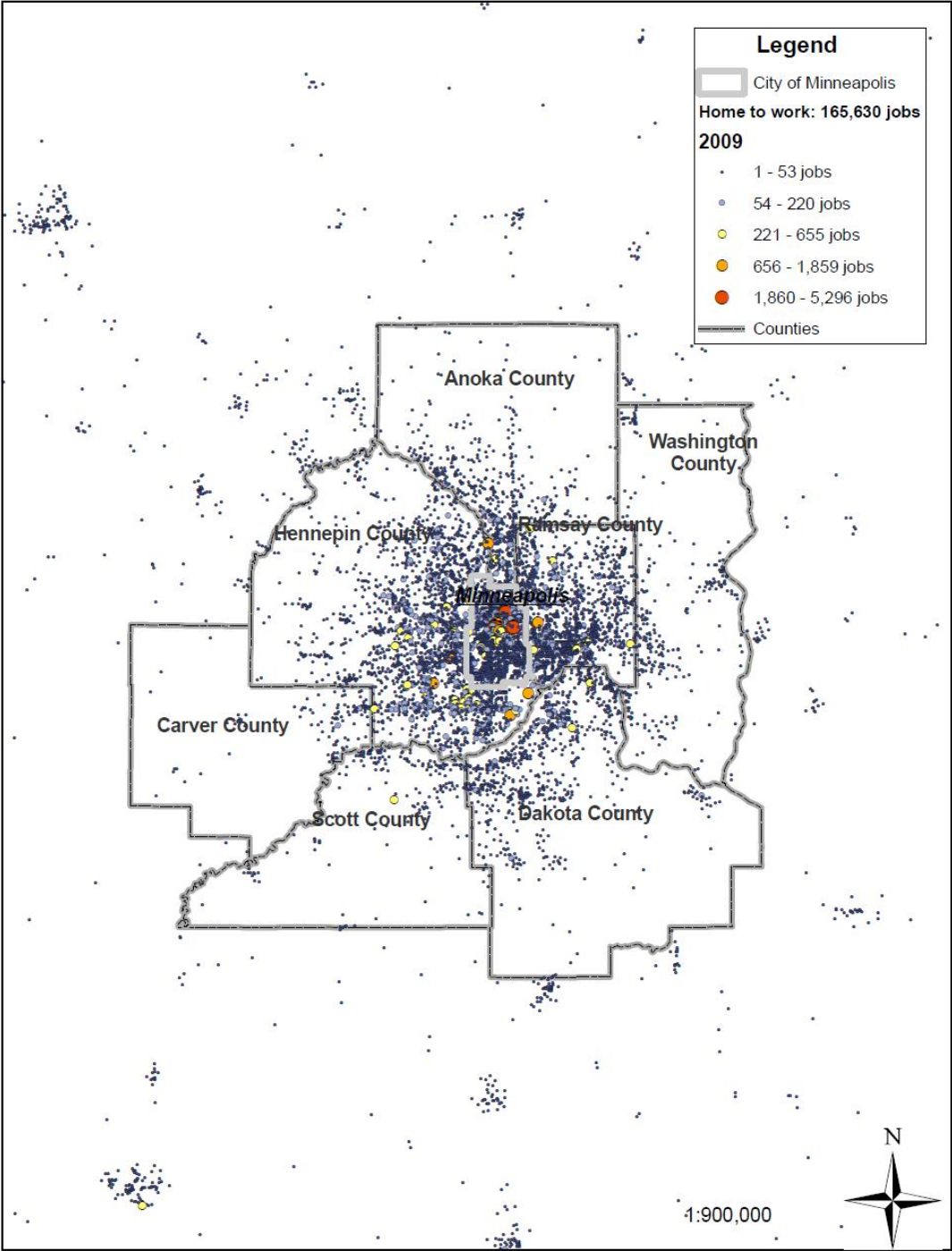
Source: US Census Bureau, LED OnTheMap
Origin-Destination Database
Beginning of Quarter Employment, 2nd Quarter 2009

CPED-Research
September 14, 2011

Minneapolis 2009 Commute Shed

Home to work destination

Where Minneapolis residents work



Source: US Census Bureau, LED OnTheMap
Origin-Destination Database
Beginning of Quarter Employment, 2nd Quarter 2009

CPED-Research
September 14, 2011